



Michigan
Propane Journal
An Industry Service of The Michigan Propane Gas Association

Spring/Summer | 2012

**Fracking
Michigan:
Is It a Gold Rush?**

Prepare for Fun
at the Summer Convention

**ObamaCare:
What It Does
To Your Small
Business**

**Frost Law
Victory for
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MPGA MISSION STATEMENT

To advance safety by working for a favorable environment for propane distribution and marketing, to increase its application by demonstrating propane's value as a clean, reliable, efficient energy source.

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MPGA's Propane Journal is dedicated to providing education and safety articles for both propane consumers and marketers. The Propane Journal is supported in part through a state rebate granted from the National Propane Education Research Council. The Propane Journal is circulated to all marketers in Michigan and public interest groups across the state.

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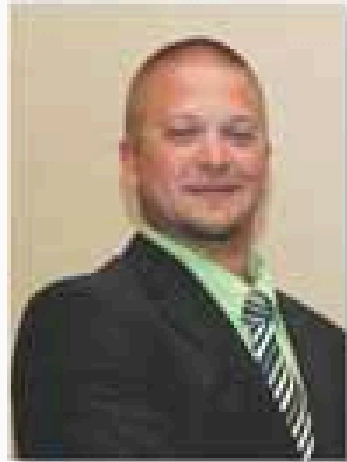
Message From The President

The Frost Law Has Passed, Stay Diligent

What a great winter, eh? I trust everyone enjoyed the frigid temps and heavier than usual snowfall as I know us Yoopers did! This winter we were faced with difficult driving and delivery conditions, suppliers putting us on an allocation system, and needing the Governor to extend transport drivers' service hours temporarily.

But those challenges were gladly welcomed and cheerfully overcome!

Now that great weather is here, I want to thank everyone who helped pass the state frost law, allowing marketers to haul greater percentages of fuel on weight-restricted roads. All marketers must also be reminded that the County Road Association of Michigan (CRAM) will continue in opposition to the MPGA frost law. I cannot stress enough the need to educate our delivery drivers about how to comply with the new law. All marketers can expect strict



*Kris Bowman, President
Michigan Propane Gas Association*

enforcement from your county road commissions.

Moving on...over many years, the MPGA has provided marketers and their customers with rebates on purchases of new water heaters. Michigan consumers have realized significant cost savings with their purchase of new water heaters, and doubling their savings with high-efficiency propane-fueled, tankless water heaters.

Unfortunately, the MPGA's Safe Water Heater Rebate Program will be discontinued this year. On behalf of the Board of Directors I want to thank Wayne Koble, Chairman, for his dedication to the success of this fine program.

It's hard to imagine that the propane industry celebrated its 100th anniversary last year. Looking back at a century of hard work, innovation, and constant struggle, our industry has big shoes to fill for the next 100 years. 🇺🇸

Kris Bowman

The MPGA is proud to have provided Michigan marketers and their customers with rebates on new water heater purchases over the last several years.

As of June 30, 2013, we are discontinuing the program.

All eligible propane water heaters must be installed no later than June 30, and all rebate applications must be sent to the MPGA Home Office before July 31, 2013 to receive final rebate funding.

It has been a pleasure working with all of you!

Wayne Koble
MPGA Safe Water Heater Rebate Committee Chairman



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TURN TO **P**ropane

Emergency

Response

Network



To join the MPGA PERN team or for more information, contact Marv Ockerman, PERN Chairman, at mrockerman@slpg.net



Blackmer corporate facility, Grand Rapids, Michigan

Touring Pump Innovations from Yesterday and Today's Compression Technologies

MPGA Supplier Directors Sponsor Blackmer Tour

The MPGA Supplier Directors sponsored a tour of the Blackmer facility in Grand Rapids, Mich. on June 26 for members to learn the newest in compression technologies.

Blackmer® is the leading global provider of innovative, high-quality sliding-vane pump and reciprocating compressor technologies for the transfer of liquids and gases. Since 1903, the Blackmer brand has stood for unparalleled product performance, superior service and support, timely innovations, and a commitment to total customer satisfaction. Blackmer® pumps and compressors are used in a broad range of applications in the process, energy, transport, military, and marine markets. And every pump and compressor is supported by a worldwide network of distributors and original equipment manufacturers.

What makes Blackmer pumps different?

Before the turn of the 20th century, a rotary pump was generally understood as a "gear pump." That is, it consisted primarily of two meshing gears which trapped liquid between the gear teeth and the pump housing, creating small sealing cavities that transported fluid



as it rotated and forced the liquid out the other side.

But in 1899 R. M. Blackmer came up with a new idea. His innovation was a vane-type pump design that represented an important departure from the old gear principle. In contrast to the

flow rate of a gear pump dropping steadily as the gear teeth wear away, the loss from a vane-type pump is virtually negligible. As the vanes wear away at the tips, they simply move farther out of the rotor slots to self-adjust and maintain the original rate.

The timing could not have been better for Blackmer's ingenious pump. The advent of the automobile was giving the country a huge thirst for gasoline and oil. The petroleum industry was growing in giant strides and the young firm was ready to grow with it. The original Blackmer vane pump is the father of a large, extended family of different pump models.

Blackmer markets these pumps today along with other fluid and gas technologies worldwide in a multitude of applications in the Process, Energy, Transport, Military and Marine markets. 🇺🇸



Wayne Kahley

“The new frost law has reduced the number of obstacles blocking delivery of propane to our customers. Now is the time to become familiar with the law. Compliance across the industry is the key to our success.”

—Wayne Kahley, MPGA
Government Affairs Chairman

MPGA Frost Law Victory

The Impact of the New Law on You and Your Drivers

The MPGA Frost Law was recently signed into law culminating nearly 50 years of efforts and diligent Association lobbying for the past 12 years. Working quietly but quickly just before Christmas, MPGA lobbyists reached agreement on final language to pass the bill and the MPGA won a major victory.

While not providing a full exemption, the new law is as favorable to the industry as the MPGA could get. The law took effect immediately as the propane exemption applied to any seasonal weight restrictions that were imposed in 2013.

Here are the major provisions:

- If a bobtail is overweight during seasonal weight restrictions, then that bobtail can carry up to 50% of the water capacity in the bobtail's tank.
- Under the exemption, the bobtail driver must not exceed a speed of 35 MPH on seasonally-restricted roads.
- Deliveries can only be made to residences in an emergency situation while bobtails are overweight on seasonally-restricted roads.
- An emergency situation is defined in the law as a residential customer whose tank is projected to be at 25% or less the day of delivery.
- The weight exemption is for propane deliveries only; Fuel oil deliveries are not exempt.
- If a truck has a lift axle and complies with the seasonal weight restrictions, the truck can likely carry more than 50% of the water capacity.
- The agricultural exemption remains unchanged.

It is important to keep in mind that the County Road Association of Michigan (CRAM) remains adamantly opposed to this legislation. So county road commissions are expected to target hobtails for enforcement of the law. It is critical that each and every propane marketer complies with the new law.

Compliance should be easy for everyone. If a truck is overweight and the tank capacity gauge shows 50% or less, then the truck is in compliance. However, if the tank gauge reads 51% or more, then the truck is not in compliance and is subject to enforcement actions and heavy fines.

The following suggestions are offered for consideration:

- Educate hobtail drivers **NOW** to avoid costly errors later.
- Post reminders about how to comply with the new exemption in each hobtail.
- Meet with the county road commissions in your delivery territories before restrictions are in place and show them your company's compliance procedures.
- Weigh hobtails to determine which hobtails comply with seasonal weight restrictions and which hobtails will need to make deliveries under the exemption.

- Hobtail drivers using the propane exemption should have documentation that shows deliveries are being made to residential customers whose tanks are projected to be at 25% or less the day of delivery.
- Attend upcoming MPGA District meetings and MPGA Board meetings and Conventions to learn more about propane issues, laws, and regulations.

Work on implementing the Pro Law is just the beginning. First, CRAM will probably seek repeal of the new exemption. Second, county road commissions can be expected to strictly enforce seasonal weight restrictions. Finally, it is critical that each and every propane marketer abides by the law. If there are industry violations under the new exemption, then arguments for the repeal of the new law will be that much stronger.

Hobtail drivers are on the frontlines in the implementation of this new law. Already this year Hobtail drivers have been stopped by weighmasters who were unaware of the new law. Once the propane marketer explained the law, they were allowed to continue with their deliveries.

Stay tuned for future MPGA updates and trainings on new propane issues in district meetings. 📺

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MPGA Scholarship Golf Outing

Have some fun while helping to support the
Michigan Propane Gas Association's Scholarship Fund!

Tuesday, July 23
Summit Golf Course
Shanty Creek Resort
5780 Shanty Creek Rd
Bellaire, MI 49615

Registration will begin at 11:30 a.m.
with a shotgun start at Noon.

The cost is \$300 for a foursome or \$125 per person,
and all proceeds will benefit the Michigan Propane
Gas Association Scholarship Fund. The cost includes
18 holes of golf with cart, drink tickets, awards, and a
boxed lunch. The winning team will be determined by
a drawing, not from your score! There is also an oppor-
tunity to become a Tee Sponsor for \$100. Or, if you'd
like to be the beverage cart or lunch sponsor, email
Terry Rhoads at trhoads@suburbanpropane.com.

Please return completed registration form with
payment on or before July 8, 2013.

Bring your money,
Batteries, holes, and
lots of other "garnes"!

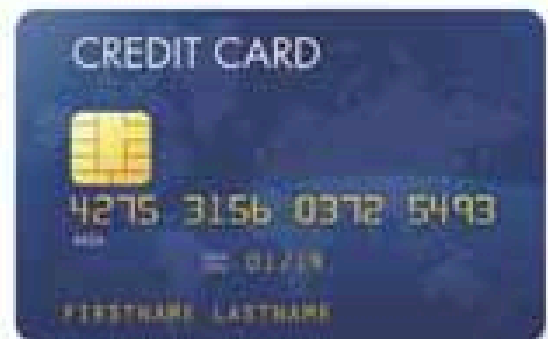
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The Michigan Propane Gas Association and Midwest Transaction Group have helped many of MPGA members save on credit card processing fees. Through MTG's Meet or Beat promotion, we are confident we can help you achieve lower costs with our **\$100 Meet or Beat Promotion**. The process is simple, just fax 2 or 3 months of your current processing statements to MTG at **866-279-9402**. If MTG cannot meet or beat your current pricing, you'll receive **\$100 gift card**. It's just that simple!

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*(Back Row from Left) Keith Biggs (MPSMA), Dave Hausbeck (DHT), Eric Bousman (Bousman Gas), Thane Biggs (TPI Equipment), Chris Kinkainen (MPSMA), Joe Vail (Signature Truck Systems), Patrick Saff (Marway Cash Oil & Propane), Mike Nordstrom (Signature Truck Systems) and Pat Saff (Marway Cash Oil & Propane)
(Front Row from Left) TJ Pinsky (Keith's Friend) and Kaiti Kinkainen*

Blizzard Makes Perfect Conditions for MPGA Snowmobile PAC Ride

It's hard to believe that just a few months ago, the Upper Peninsula was hit with a blizzard on February 20, just ahead of the MPGA's second annual PAC Snowmobile Ride on February 23rd. But that didn't stop members from participating in this great event! The more snow the better!!

"This is what we live for up here—snow and more snow," said Dave Biggs, the chair of the 2012 MPGA PAC.

Eleven riders rode 150 miles on the snowy trails. The Ride began in Searcy, Mich. with riders traveling north to Grand Marais on Lake Superior. After lunch there, the group rode east along the Grand Marais Truck Trail and then eventually headed south, stopping in Pine Stump Junction. After a break, they stopped for a photo op to view the pristine white landscape and then returned to Searcy for dinner.

"It doesn't get any better than this," said Biggs. "We're ready to go again next year."

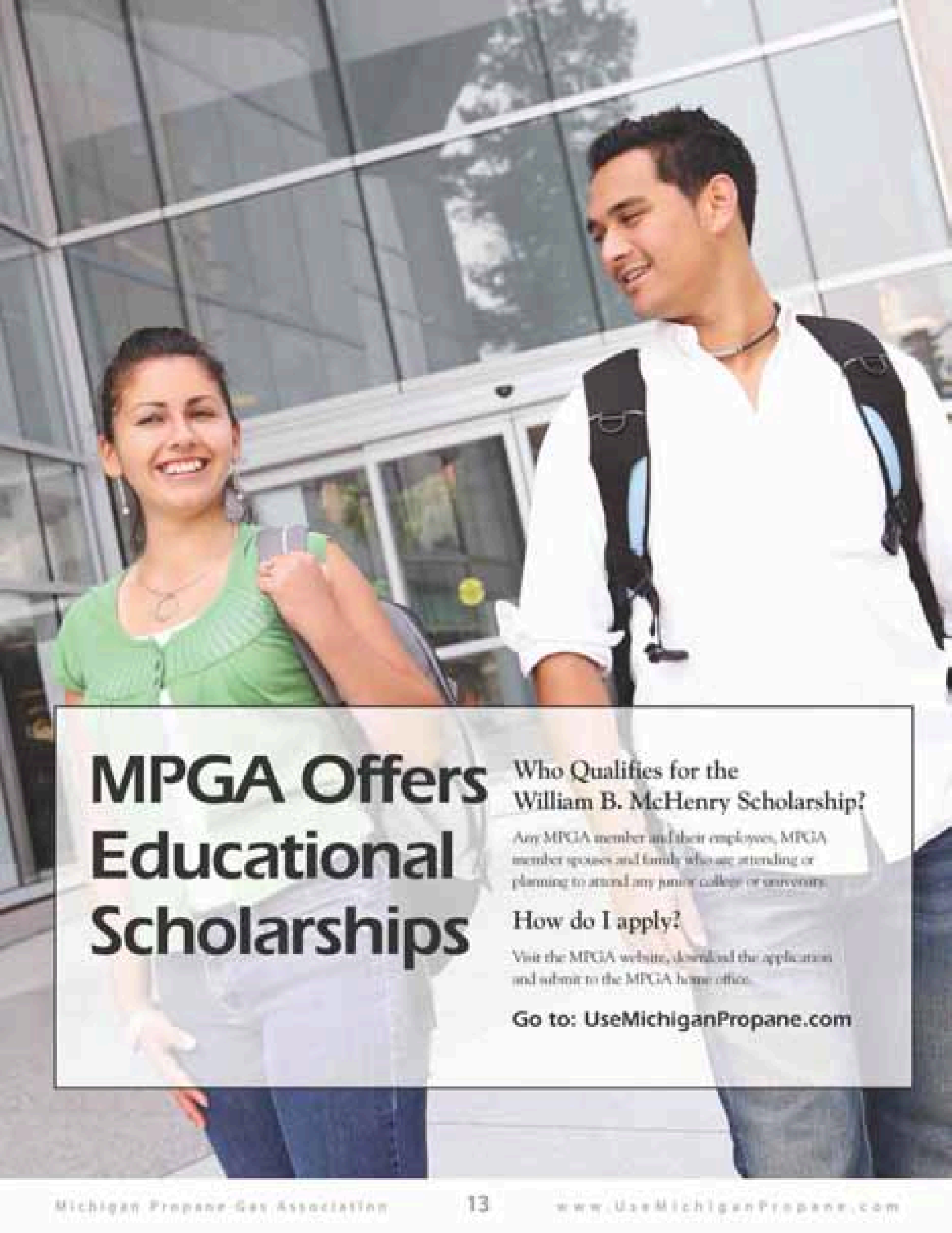
The MPGA is already planning next year's ride in the great white UP! ❄️



The group stopped lunch in Grand Marais, Mich.

"It was a terrific ride, but like anything that's this much fun, it was way too short. Thanks Dave Biggs for organizing everything."

—Dave Hausbeck, DHT Trucking



MPGA Offers Educational Scholarships

Who Qualifies for the William B. McHenry Scholarship?

Any MPGA member and their employees, MPGA member spouses and family who are attending or planning to attend any junior college or university.

How do I apply?

Visit the MPGA website, download the application and submit to the MPGA home office.

Go to: UseMichiganPropane.com

MICHIGAN
PROPANE GAS
ASSOCIATION

SUMMER CONVENTION



To register online, go to
www.usemichiganpropane.com

July 23-26, 2013

SHANTY CREEK RESORT • BELLAIRE, MI

SUMMER CONVENTION

July 23-25, 2013

MICHIGAN
PROPANE GAS
ASSOCIATION

SHANTY CREEK RESORT SUMMIT VILLAGE

SPECIAL PRE-REGISTRATION EVENTS
WEDNESDAY, JULY 24 AT 12:30 PM

9TH ANNUAL MPGA-PAC MOTORCYCLE RIDE

The MPGA would like to invite you to participate in a motorcycle tour of Northern Michigan. Bring your bike and enjoy some of Michigan's most beautiful views. The motorcycle adventure will be held during the Summer Convention on Wednesday, July 24. The rally will depart from Shanty Creek Summit Village at 12:30 pm and take you through Northern Michigan. We will be stopping for lunch along the way. The ride will return back to Shanty Creek Summit Village at approximately 4:30 pm. PAC contributions must be personal check, no corporate contributions. Please make your PAC contribution of \$75 per rider, which includes lunch to the MPGA PAC.

SKET & PISTOL SHOOT

All levels of shooters are welcome. Meet outside the Summit Lodge at 12:30 on Wednesday, July 24. We'll proceed to the Cham-Quaker for a fun afternoon of skeet and pistol shooting and lunch. Rentals are not available, so please bring your own gun, ammunition and protective gear. Lunch is included. Youth must have a Hunter Safety Certification to participate. Prizes will be awarded.

KIDS AND PARENT ACTIVITY TIME

Customize the day with Fun & Friends. Come located in Summit Village for family-friendly activities. There are lots of fun activities, horseshoes, croquet, Make-A-Friend Day, Genealogy, Team-Bog, Boat and swimming.

HORSEBACK RIDING

If you are interested in horseback riding, you will need to arrange this on your own. Contact either Sandy's Saddle (231-533-9073) or Hobby Horses (231-587-8090).

Tuesday, July 23

8:00 AM – 7:00 PM | REGISTRATION

9:00 – 10:15 AM | AUTOGAS PANEL

Albert Minazio, ICCM

Jeff Vandemark, Industrial Propane Service

IRS Representative

What you need to know from A to Z regarding having an AutoGas system. Learn about dispensers, conversions and tax credits.

10:15 – 10:30 AM | BREAK

10:30 – 11:15 AM | AUTOGAS PANEL, *continued*

11:45 AM | SCHOLARSHIP GOLF OUTING, SUMMIT COURSE

Separate pre-registration required

(available at www.usemichiganpropane.com)

6:30 PM | PAC SILENT AUCTION BIDDING BEGINS

6:30 – 7:30 PM | WELCOME AND SUPPLIER RECEPTION

Take a tethered hot air balloon ride (weather permitting). See another use for propane! PAC Reverse Raffle—buy your ticket tonight for the PAC Reverse Raffle. For just \$50 you could win prizes and cash!

7:30 PM | SUPPLIER DINNER

The tethered hot air balloon rides will last into the evening (if weather permits).

Wednesday, July 24

8:00 – 11:30 AM | REGISTRATION

PAC Silent Auction Bidding Continues
PAC Reverse Raffle Tickets for sale (if there are any left)
Breakfast Buffet

8:30 – 11:30 AM | NPGA & MPGA UPDATE

Enjoy breakfast while you learn about the laws, regulations and elections in Michigan and nationally that affects your industry.

12:30 PM | FAMILY FUN WITH YOUR KIDS!

Contact the Lakeview Hotel Fitness Center located in Summit Village for on-site family activities. Here are just a few: volleyball, horseshoes, croquet, Make-A-Friend Lite, GeoCaching, Bean Bag Toss and swimming.

PAC MOTORCYCLE RIDE

Bring your bike and enjoy lunch and travel through scenic Northern Michigan. (You must preregister on the attached form)

SKEET & PISTOL SHOOTING COMPETITION

All levels of shooters welcome. We will meet outside the main lodge parking lot. We will all caravan to the Shoot. Lunch provided. Youth must have Hunters Safety certification to participate. (you must preregister on the attached form)

HORSEBACK RIDING

See page 2 for contact information. The MPGA is only recommending this activity. You are responsible for making your own arrangements.

6:00 – 7:00 PM | REGISTRATION

6:30 PM | PRESIDENT'S RECEPTION

7:00 PM | PRESIDENT'S BANQUET

Presentation of awards, election of officers,
"changing of the guard"

9:00 PM | MPGA PAC

Skeet and Pistol Shoot winners are announced
Reverse Raffle drawing begins
Silent Auction closes after the 50th Reverse Raffle Ticket is drawn.

Thursday, July 25

7:30 AM
CONTINENTAL BREAKFAST

8:00 – 10:00 AM
COMMITTEE MEETINGS

10:00 AM – 2:00 PM
ASSOCIATION OPERATION MEETING

Everyone is welcome.
This is free to attend but you **MUST** preregister for lunch.

2:00 – 3:00 PM
ASSOCIATION BOARD OF DIRECTOR'S MEETING
Everyone is welcome. This is free to attend.
All that is required is to register.

SILENT AUCTION

Donations are being accepted!

The PAC Committee is currently seeking items for the silent auction that will be held at the Summer Convention. We would like to have a variety of items so there will be something for everyone to bid on. Examples of past items are sports tickets, spa certificates, golf clubs, cigars, gift certificates, wine baskets etc. Of course, items showcasing the propane industry would be great too! Monetary donations are welcome; we can purchase an item for the Silent Auction on your behalf.

If you have an item that you would like to donate to the PAC Committee for the Auction, please contact the MPGA office by phone at (517) 487-2021 or email at mpga@lindewaterassociates.com. You may also fax the donation form to the MPGA office at (517) 485-9400 by July 12, 2013. THANK YOU FOR YOUR SUPPORT!

Name _____ Company _____

Address _____

Email Confirmation sent via email only _____ Phone _____ Estimated Item Value \$ _____

Item will be shipped to the MPGA office at 1000 W. St. Joseph Hwy, Ste. 200, Lansing MI 48915

I would like the MPGA to purchase an item with the value of \$_____. I understand the MPGA will send an invoice.



SUMMIT VILLAGE
SHANTY CREEK RESORTS®

Michigan Propane Gas Association (73092)
 July 23 – July 27, 2013

Reservations Must Be Received By: June 23, 2013

Reservation requests received after this date will still be accepted provided rooms are available.

PLEASE RETURN THIS FORM BY MAIL (OR) FAX TO:

Reservations Department • Shanty Creek Resorts
 5780 Shanty Creek Road • Bellaire, MI 49615
 Fax: 231.533.7004

Check-in begins at 6pm, Check-out is 12 Noon.

Name: _____

Address: _____ Home Phone: _____

City: _____ State: _____ Zip: _____ Business Phone: _____

Confirmation Email: _____ Fax: _____

You are welcome to arrive early or extend your stay following this scheduled event. At times specified accommodations are not available prior to or following your event. If the room type requested is not available, we reserve the right to assign the next available room type and rate.

Arrival Date: _____ Departure Date: _____ # Adults: _____ # Children: _____

| Quantity | Room Type | 1 Adult | 2 Adults | 3 Adults | 4 Adults |
|----------|--------------------------|---------|----------|----------|----------|
| | Guest Room (2 Beds) | \$149 | \$149 | \$164 | \$179 |
| | Parlor Studio (King Bed) | \$170 | \$170 | | |

Additional guest fee is \$15.00 per person, per night. Children under 18 may stay free in their parents' room using existing bedding. The above rates are per room, per day, plus 6% state tax, 9% resort fee and 5% TCCVB fee.

IF YOUR ORGANIZATION IS STATE TAX EXEMPT YOU MUST FURNISH A COPY OF THE STATE TAX EXEMPTION CERTIFICATE WHEN MAKING YOUR RESERVATIONS.

THIS FORM MUST BE MAILED OR FAXED IN TO RECEIVE THE GROUP DISCOUNTED RATES.

Deposit Policy: You must guarantee your room reservation with a major credit card or a check for deposit of 1st nights lodging. Credit card **WILL BE** charged for the above deposit. Use of Debit cards at the resort for lodging or deposits may cause your financial institution to put a hold on your account for the total amount of the stay plus a \$50.00 per night incidental charge. The resort is not responsible for returned check fees resulting from this practice by your financial institution. Refund of your deposit will be made if cancellation occurs at least 5 days prior to arrival, less a \$10 handling fee.

Card Number: _____ Expiration Date: _____

If Mailing a Check, Please Note on the Line Above. Your reservation will be held for 10 days pending receipt of the check. If credit card deposit is made and organization pays in full by check refunds of credit card are subject to a \$10.00 handling fee.

Signature (Required): _____ Printed Name _____

Do you have any special lodging requests? Barrier Free: ___ Other (Please Indicate): _____

We do our best to honor special requests, however we cannot guarantee them.

FOR QUESTIONS OR FOR MORE INFORMATION, PLEASE CALL 800.678.4111

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July 23-25, 2013

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E-mail (optional) _____

Spouse/Guest

Name: _____ Name to appear on badge: _____

Children *(if not here to see another paper, if bringing more than 2 kids)*

Name: _____ Name to appear on badge: _____ Age: _____

Name: _____ Name to appear on badge: _____ Age: _____

Convention Registration Packages

1. Complete Package includes all programs and planned meal functions, Golf Course, Hunt & Hunt Shoot, Motorcycle Rally not included. Member \$175 Non-Member \$470 \$_____

2. Spouse/Guest Package includes all programs and planned meal functions, Golf Course, Hunt & Hunt Shoot, Motorcycle Rally not included. Member \$175 Non-Member \$470 \$_____

3. Children Package includes all planned meal functions, Golf Course, Hunt & Hunt Shoot, Motorcycle Rally not included. 13-18 years old \$50 Under 13 FREE \$_____

Thursday, July 25 Events:

- Yes, I am attending the 9 - 10 am Committee Meetings No, I will be attending the 10 am - 1 pm Executive Operations Meeting
- Yes, I will need a lunch No, I am attending the 1 - 5pm Board of Director's Meeting

Optional Events

MC Motorcycle Rally - Wednesday, July 24. \$75 per person. Must pay with a personal credit card or check payable to MPGA INC. \$_____

Hunt & Hunt - Wednesday, July 24. You must provide your own gun, ammo and protection gear. Lunch included. \$60 per person. \$_____

Hunt & Hunt - Wednesday, July 24. You must provide your own gun, ammo and protection gear. Lunch included. \$60 per person. \$_____

Total Amount Due \$_____

Payment

Card Number: _____ Exp. Date: _____

Cardholder Name: _____ Signature: _____

Billing Address (if card is different from registrant address): _____

Address: _____

City: _____ State: _____ Zip Code: _____

- Visa
- MasterCard
- American Express
- Check # _____

Refund cancellations must be received by July 8, 2013 to receive a refund minus a \$10 processing fee. No refund granted after July 8, 2013.

For registration with credit card information to 517-485-9408 or email with check made payable to MPGA, Inc. MPGA, 10981 W. St. Joseph Hwy, Suite 200, Lansing, MI 48915. (Tel: 517-487-2021 / Fax: 517-485-9408)

Online registration is available at www.usemichiganpropane.com

2013 >

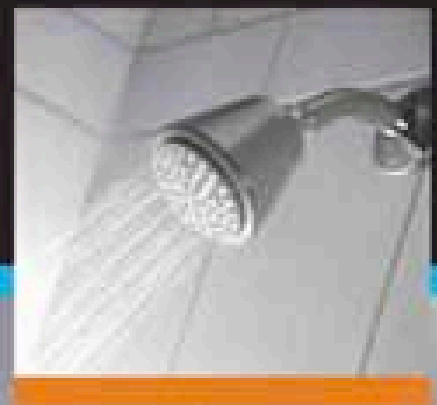
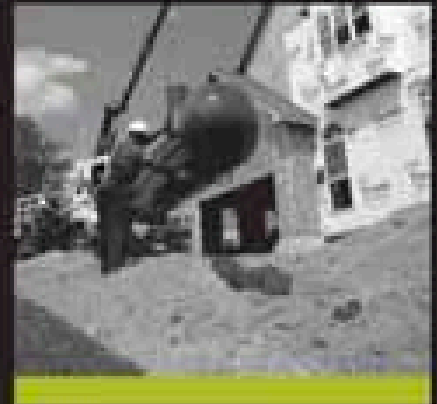
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Midwest Convention Attendees Enjoyed Insightful Presentations and Technologies

The Midwest Propane Gas Convention & Trade Show held March 12-14 was a big hit with Michigan, Ohio and Kentucky attendees.

The Midwest Board, including Dave Biggs, Midwest Convention Director; Dave Lewis, Midwest Convention Chairman; and Dave Long, Midwest Planning Committee, assembled a terrific agenda with presentations from NPGA President and CEO Richard

Roldan and PERC President and CEO Ray Willis. They discussed propane industry projections while other industry professionals delivered practical industry information in educational seminars packed with attendees with standing room only.

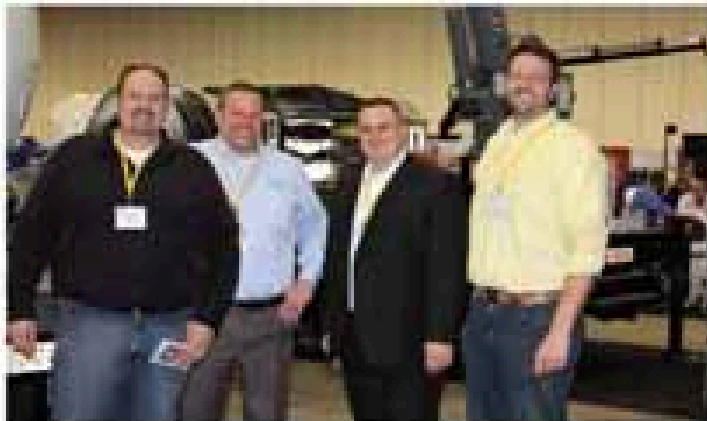
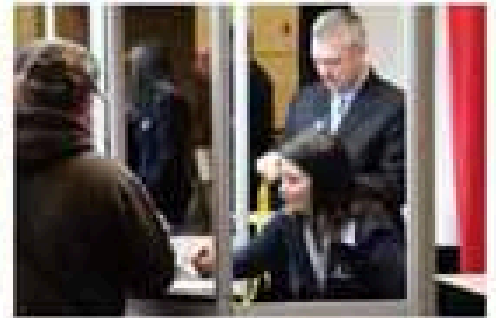
The unveiling of the Freightliner S2G Propane Bobtail was a big highlight along with the panel discussion describing the genesis and development of the new vehicle. 🚛



FERC President Ray Willie



NPGA President Richard Holden





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"This was the perfect venue for industry members to see and hear how propane bobtail technology has come to fruition. Delivering propane with propane is simply great for our industry."

—Joe Volk, MPGA
Transportation Chairman

Freightliner S2G Propane Bobtail Unveiled at "Midwest"

The highly-anticipated Freightliner S2G Propane Bobtail was introduced at the Midwest Propane Gas Convention that was held in March at the Indiana Convention Center in Indianapolis. Midwest Propane Gas Association members were thrilled with the two S2G Propane Bobtails on display.

"This was the perfect venue for industry members to see and hear how propane bobtail technology has come to fruition," said Joe Volk, MPGA member and owner of Signature Truck Systems, who helped organize the event. "Delivering propane with propane is simply great for our industry."

Top developers of the new vehicle technology participated in a panel discussion with Michael Taylor from PIRC, Bryan Hankie from Freightliner Custom Chassis, and Robert Pachla and Ed Garcia from Powertrain Integration. The panel discussed the genesis and development of the S2G from the original idea to commercial production this year.

Over 35,000 propane delivery bobtails, mainly diesel-fueled, are used by the industry and represent a solid market for the new product. Although many have converted existing bobtail vehicles to run on propane analogs, demand has been strong for a factory-built model. Built on Freightliner Custom Chassis Corporation's (PCCC) popular



S2 chassis, the S2G's 8-liter, 325 HP engine supplied by Powertrain Integration offers clean-burning LPG technology on a superb platform already known for its durability, reliability, maneuverability and design flexibility. The engine core uses General Motors' proven long block and other components.

PCCC has over a decade of experience in designing and building factory-installed natural gas (CNG) and liquid-propane fueled chassis for its commercial bus products. And while the S2G brings that experience to the medium-duty commercial market, it is also a new product developed in part through direct customer input.

"From the start, we invited our end-users, fleet managers and body manufacturers to tell us about their specific needs, from gross vehicle weight rating and chassis component placement to in-cab layout and electrical interfaces," said Jonathan Randall, director of PCCC sales and marketing. "We didn't want to simply add an LPG engine to our S2 chassis – we wanted the best chassis our customers could imagine and make the most body-builder friendly truck in the market."

Like its diesel counterpart, the first-engine S2G uses the popular and dependable Freightliner M2 cab, featuring a sloped, forward-tilting hood for superior visibility and easy engine access. A gross vehicle weight rating (GVWR) of 33,000 pounds, it's

Continued on page 28

equipped with an Allison 2300 automatic transmission with PTO provision.

The benefits of an LPG chassis include lower operational costs and reduced emissions, without sacrificing payload capability or performance. Designed for the medium-duty commercial market, the S2G chassis is suitable for pickup and delivery, school transportation, and municipal applications.

Coming together to create new technology for the 21st century

A partnership between Powertrain Integration, CleanFuel USA, PERC, and Freightliner joined together to produce the industry's first commercial propane chassis built by an OEM truck manufacturer.

Powertrain Integration, formed in 2004 and headquartered in Madison Heights, Mich., provides custom solutions for OEM engines and drivetrains in the General Motors product lineup.

CleanFUEL USA, founded in 1993 and headquartered in Georgetown, Texas, was the first company to develop liquid propane fuel injection systems in the U.S. The company also manufactures propane storage dispensers and fueling infrastructure.

"The S2G chassis represents a major development in offering the only propane-fueled medium duty truck to commercial fleet customers," CleanFUEL USA president Tucker Perkins said. "Collectively, we have created a high-performance, lower-emission fleet vehicle that sets new industry standards."

The Propane Education & Research Council (PERC) approved \$2 million in 2010 to assist certification of a Freightliner chassis and propane-fueled 8-liter GM engine for use in propane bobtails and school buses. It was a big step in a \$15 million engine fuel project – \$5 million from PERC – that also included plans for an off-road terminal truck and an engine for the agricultural market.

"Propane-powered trucks are not new to the industry, but we're now providing a complete factory-installed, warranty-supported [product], not a conversion," says Bryan Henke, manager of Freightliner product marketing. "Customers get 24/7 service and support from Freightliner dealers around the country."

Freightliner's 8-liter LPG engine chassis has been PERC's top average priority because this engine can be sold in multiple large markets while providing propane marketers with a propane-fueled bobtail. The project was borne of the need to replace the General Motors 8.1-liter engine for the medium-duty truck market. The 8.1-liter had given propane a place in school transportation with Blue Bird, but it was phased out in 2009.

"We needed to find an engine to replace, upgrade and meet the needs of the school transportation and other markets," says Michael Taylor, director of PERC average business development and former Heritage Propane fleet director.

The Ford 6.8-liter engine met those needs with Blue Bird, but in the middle of that search came another opportunity with the GM 8-liter engine, which can also power Type C school buses from Thomas Built.

Continued on page 38

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Bill Fisher



New OSHA Crane Operator Rules Problematic for Propane Industry

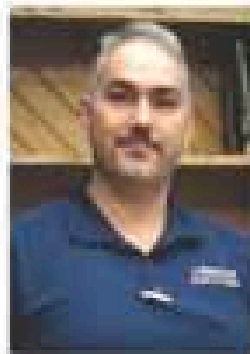
What the Rules Mean for Propane Marketers

Propane marketers are scrambling hard to figure out what the new federal Occupational Safety and Health Administration (OSHA) crane operator rules mean and whether it applies 100 percent to the propane industry. What is clear is that marketers using cranes to install and move propane tanks may be required to meet new crane operator training regulations in a very short period of time. The new rules took effect in November 2010 with a four-year compliance window so the final compliance deadline is November 10, 2014, just over a year away.

This will be a huge, new challenge for the propane industry. Propane crane operations had never been considered a part of "construction activities," but were instead covered by less stringent "general industry" rules. These rules had required training of crane operators, but no operator testing or accredited third-party certification.

"The new rule completely took us by surprise," said Jeremy Sanford who has been traveling the state to help MPGA members prepare for the new OSHA crane operator rules.

"The new OSHA crane rules are very confusing for most all of us because the propane industry falls into a very gray area. The million-dollar question is this: Does the propane industry fall under OSHA's "General Industry" or "Construction" regulations? We really need a clear answer from OSHA."



Jeremy Sanford

"The new OSHA crane rules are very confusing for most all of us because the propane industry falls into a very gray area. The million-dollar question is: Does the propane industry fall under OSHA's "General Industry" or "Construction"

regulations? We really need a clear answer from OSHA on this."

—*Jeremy Sanford, MPGA Transportation Committee*

Changes in the crane operator rules began some time ago. Before 2010, cranes and derricks were covered by a general OSHA standard (CFR 1926.550) that merely required the proper training of crane operators. However, due to a number of fatalities associated with construction cranes and derricks in New York City and technological advances in crane equipment the U.S. Department of

Continued on page 28



OSHA Crane Rule Fact Sheet

Aspects of the Rule

Applies to cranes with a hoisting/lifting capacity of more than 2,000 pounds used in the act of construction.

Requires crane operators to obtain certification from a 3rd party organization, which itself must be accredited by ANSI or some other accrediting entity.

To earn certification, a student must pass a written test, and then pass a practical skills test within one year.

Re-certification is required every five years.

Labor's OSHA division decided to revise the rule in early 2000. It is the first revision of crane operator rules since the original rule was issued in 1971.

A 23-member advisory panel of industry representatives (that did not include representatives of the propane industry) rewrote the standards for the heavy construction industry, including bridge and road construction. But the new rules (OSHA 1926, Subpart CC) pulled in other industries including the propane industry. The new rules apply to any crane with a maximum-rated capacity greater than 2,000 pounds operating in construction-related activities.

The new rules also require extensive training and certification of crane operators for truck-mounted articulating (knuckle boom) and telescopic (stick boom) cranes by an accredited third party that includes the National Commission for the Certification of Crane Operators (NCCCO).

Crane operators must now be trained and complete a rigorous certification process, consisting of a knowledge test and hands-on skills exam at a cost of \$200 - \$300. In addition, fees for two-to-three day training facility courses to prepare operators for the certification test are at least \$1,000 per employee, imposing a significant new financial strain and employee-resource burden on propane companies.

Crane operators who have not successfully completed the testing and certification process by November 10, 2014 will not be allowed to operate a crane after the deadline. If an operator lacking certification operates a crane after the deadline, the company will be in violation of the rule and could face OSHA fines and penalties. However, 'operators in training' can operate cranes under the supervision of a certified operator.

Crane Operations in General Industry vs. Construction Industry

If crane operations are not covered under a specific standard, such as Construction or Maritime, then OSHA usually considers the operation covered under general industry. Under OSHA rules, construction includes the building, altering, or repairing of new or existing structures. Construction operations also include demolition and deconstruction of a portion, or all of a structure. OSHA rules may also consider maintenance under the construction coverage, depending on the scope and complexity of the maintenance operations.

Crane Operations Covered by the Construction Standard

For tank installation operations, OSHA rules state: "If the site at which the tank is installed is a building under construction, installation of a propane tank would qualify as construction work." However, replacing a small tank at an existing site with a new tank of the same capacity would be considered general industry work. Furthermore, if a propane marketer delivers a

Continued on page 65



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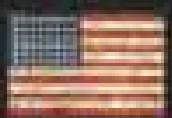
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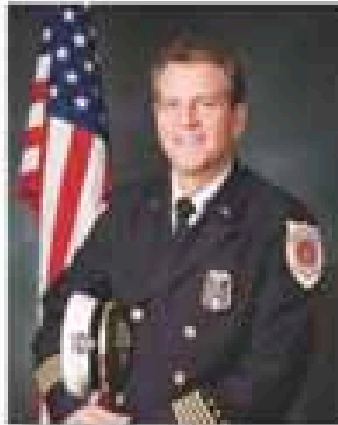


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Is Your Propane Exchange Rack-Cage System Compliant with State Regulations?

Many Liquefied Petroleum Gas (LPG) suppliers and various businesses of all types are offering propane tank Exchange Rack-Cage Systems (Exchange Racks) to make it convenient for their customers to locate propane.

Many of us have experienced poor planning and discovered our propane tank is empty when we are in need of propane. We've also discovered that the local propane fill stations are usually closed when we need them the most. Propane Exchange Racks may be the solution for many of us, and we're finding more of them available at various locations within our communities. Many area businesses offer Exchange Rack services to their customers on a daily basis; however, are they aware of the regulations that apply to their Exchange Rack? Do they know what is required to keep the Exchange Rack in safe operation?



Chief Richard Miller, Area Fire Marshal

The Michigan Department of Licensing and Regulatory Affairs (LARA), Bureau of Fire Services (BFS), Storage Tank Division (STD), adopted provisions of the National Fire Protection Association Pamphlet No. 58, 2004, entitled "NFPA 58 Liquefied Petroleum Gas Code 2004 Edition," and are incorporated by reference, and are adopted as part of the Michigan Liquefied Propane Gas Rules. For a copy of NFPA 58, 2004 Edition, contact the National Fire Protection Association, Batterymarch Park, Quincy, MA, 02269, telephone number (800) 344-3555. The Michigan LPG regulations can be found at: www.michigan.gov/lara

The regulations that cover storage of cylinders awaiting use, resale, or exchange can be found in Chapter 8 of the above mentioned rules.

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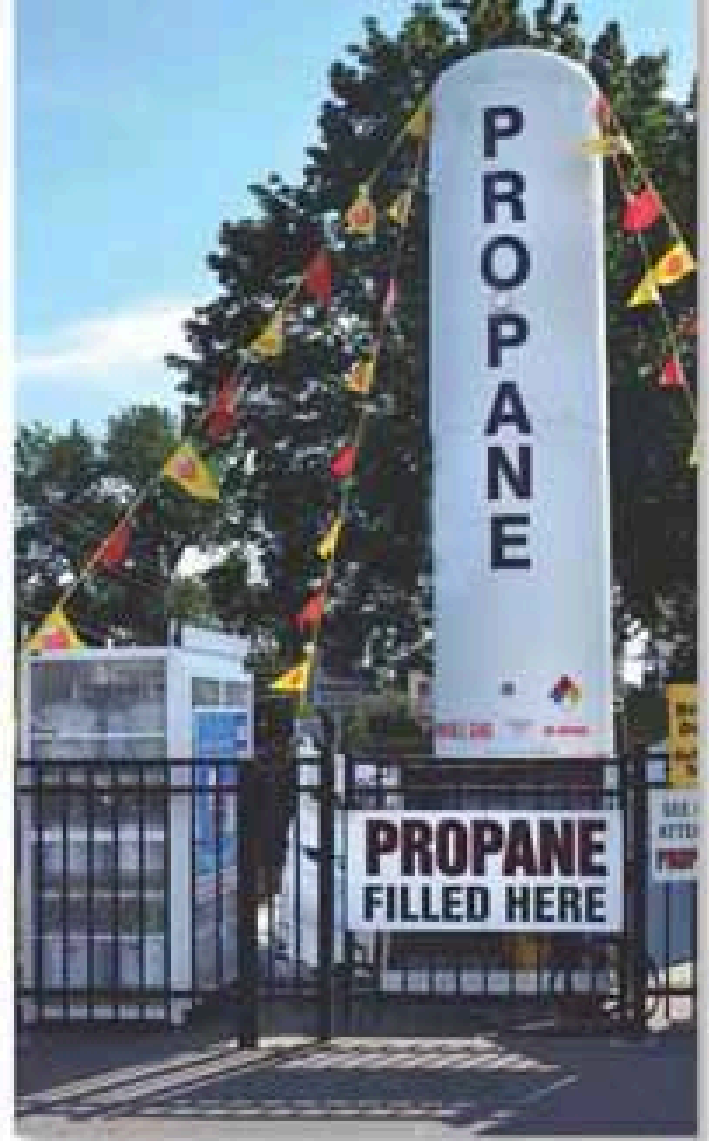
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Bureau of Fire Services, STD, would like to provide owners and operators with a list of the general requirements to keep your Exchange Racks in compliance with the regulations, and in safe operation.

General Requirements for Propane Exchange Racks

- Warning labels shall be posted in accordance with Section 5.2.8.4(1)(2).
- Loose or piled combustible material and weeds and living dry grass shall be separated from containers by a minimum of 10 ft. in accordance with Section 6.4.5.2.
- Open flames or other sources of ignition shall not be used or installed in pump houses, cylinder filling rooms, or other similar locations in accordance with Section 6.20.3.1.
- Cylinders in storage shall be located to minimize exposure to excessive temperature rises, physical damage, or tampering in accordance with Section 8.2.1.1.
- Cylinders in storage having individual water capacity greater than 2.7 lb (1.1kg) [nominal 1 lb. (0.45kg) LP-Gas capacity] shall be positioned so that the pressure relief valve is in direct communication with the vapor space of the cylinders in accordance with Section 8.2.1.2.
- Screw-on-type caps or collars shall be in place on all cylinders stored, regardless of whether they are full, partially full, or empty, and cylinder outlet valves shall be closed in accordance with Section 8.2.2.2.
- Exchange Racks shall be located at least 10 feet from any doorway or opening into a building that is frequented by the public where occupants have at least 2 means of egress. Exchange Racks shall be located at least 20 feet from any automobile service station fuel dispenser in accordance with Section 8.4.1.1.
- Exchange racks shall be in compliance with table 8.4.1.2 with respect to buildings, property lines, sidewalks, schools, churches, hospitals, athletic fields, or other points of public gathering in accordance with Section 8.4.1.2.
- Exchange Racks shall be a lockable, ventilated metal locker or rack that prevents tampering and pilfering in accordance with Section 8.4.2.1(1)(2).
- Protection against impact shall be provided in accordance with good engineering practice where vehicle traffic is expected at the location in accordance with Section 8.4.2.2.
- Storage locations, where the aggregate quantity of propane stored is in excess of 720 pounds, shall be provided with at least 1 approved portable fire extinguisher having a minimum capacity of 18 pound dry chemical with a B:C rating in accordance with Section 8.5.1.



- The fire extinguisher shall be located not more than 50 feet from the Exchange Rack storage location in accordance with Section 8.5.2.
- Cylinders that leak or show serious denting or gouging or excessive corrosion must be either scrapped or repaired in accordance with Section C.3.2.4(3)(b). 🔥

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Propane Market Outlook Has Positive Pockets and Strong Headwinds

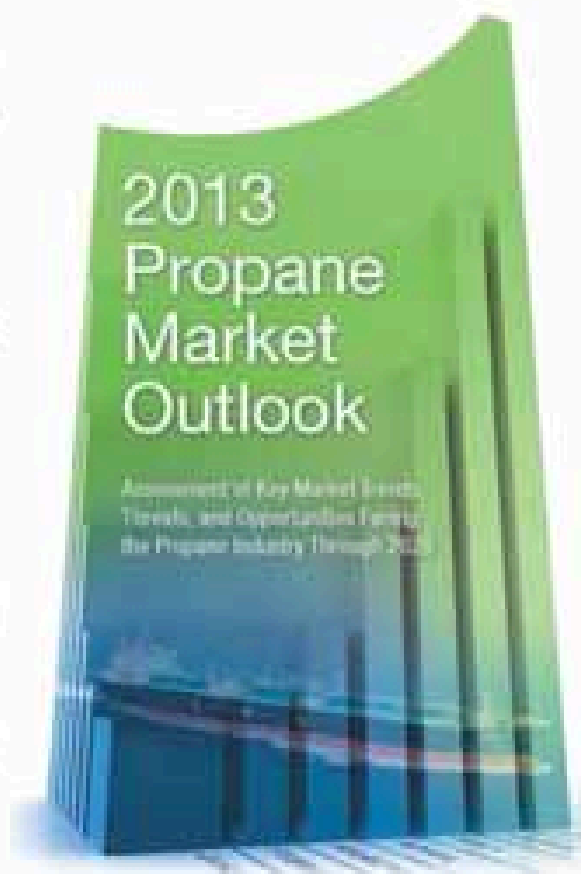
Propane markets have been transformed in the last ten years from the combined effects of volatility in energy prices, swings in the overall economic outlook, advancements in propane and competitive technologies, improvements in energy efficiency, and changes in propane supply. While many of these factors have resulted in steeper challenges for propane marketers, new opportunities have also been created for the industry. The capacity to understand and adapt to these changes while taking advantage of these new opportunities will define success, or the lack of it, for the propane industry in the next decade.

The recently-released Propane Market Outlook, developed by ICF International for the Propane Education and Research Council (PERC), provides a comprehensive review of current energy trends influencing U.S. propane markets as well as identifying the key opportunities and threats and offering a guide to help the industry navigate the kaleidoscopic changes ahead.

The impact of the shale gas revolution based on huge new supplies in the Northeast U.S. and South Dakota on domestic and world propane markets is profound. Two major milestones have been reached: one, the U.S. became a net exporter of propane in the last 2-3 years, and two, domestic propane production from natural gas liquids exceeded domestic consumer demand. In spite of the spike in shale-based propane supply, domestic propane prices will not fully delink from oil prices and competition with electricity and natural gas in traditional propane markets will remain very challenging.

The outlook for propane demand growth has changed. The current demand forecast is less optimistic than the 2010 forecast. However, propane use in internal combustion engines represents a new market opportunity. With gasoline and diesel fuel prices expected to remain high until 2020, ICF projects propane vehicle sales to increase from less than 5,000 in 2011 to more than 40,000 per year by 2020. And there is the potential for higher growth depending on the specific directions in national energy policy and the extent to which the propane refueling infrastructure and the promotion of propane vehicle sales are priorities for the industry.

The change for the U.S. from propane importer to propane exporter has shifted the fundamental relationship between domestic propane and crude oil prices. According to ICF, the ceiling on propane prices



will be set at the world price of propane *minus* transportation costs to international markets, instead of the world price of propane *plus* transportation costs that set the *floor* on domestic propane prices when the U.S. was a major propane importer. The growth in U.S. propane exports and other international sources of propane will exert downward pressures on the price of propane compared to crude oil.

At today's prices, propane is extremely attractive compared to gasoline and diesel fuel for many engine fuel applications. ICF predicts the difference between the prices of gasoline and diesel fuel and propane prices to decline slowly over time. Markets will adjust to the growth in supply which will lead to the continuation of the attractive cost economies associated with propane engine fuel applications into the foreseeable future. This is a key market opportunity.

Another key opportunity area is that of federal energy policy. The federal fuel excise tax credit provides a significant incentive to use propane for a motor vehicle fuel. While slated to expire at the end of 2011, it was extended retroactively to the end of 2013. The federal alternative fuel infrastructure tax credit was also reinstated and provides up to 30% of the cost of a qualified propane refueling facility with a cap of \$30,000 until the end of 2013. These tax credits are subject to renewal every year.

The propane industry is promoting the Propane Gas Act to extend these fuel tax credits through 2016. But the prospects for adoption are uncertain. The biofuel, electric, and natural gas industries will lobby hard for policy support of their products. The propane industry needs to act aggressively in the energy policy debate in order to not be outdone by other sectors. Long term stability of the tax credits would improve market acceptance of propane vehicles, which would increase these vehicle sales.

Key Propane Industry Challenges and Opportunities

Future sustained growth of propane sales depends on the industry's success in responding to the leading market challenges and opportunities in the next few years.

Key propane industry challenges and opportunities include:

Propane Market Outlook at a Glance

Total propane consumer sales dropped by more than 17 percent between 2009 and 2012, including declines of 3.3 percent in 2011 and 10-12 percent in 2012. These declines were primarily attributable to warmer than normal as well as higher propane prices and continuing efficiency trends. Sales in 2013 are expected to rebound with a return to more typical temperatures.

- Since 2010, propane prices have fallen substantially compared to other transportation fuels. The average price difference between major market prices for gasoline (New York Harbor gasoline price) and propane (M. Below) propane price increased by more than 80.7% per gallon, going from \$0.37 per gallon in 2010 to \$1.12 per gallon in 2012.
- Propane prices are expected to remain very competitive with gasoline, diesel fuel, and distillate fuel oil as propane supply continues to increase.
- Markets for internal combustion engines offer long-term potential for large growth in propane sales as clean propane applications, including commercial lawn mowers, irrigation pumps, and propane vehicles become more widely available.
- The residential new construction market remains depressed although new housing starts are slowly rebounding from their 2009 lows.
- Fuel oil conversions in the Northeast may offer the greatest growth potential in the residential and commercial sectors.
- Targeting existing propane customers to maximize household propane applications may be the most effective way to offset continuing declines in fuel use per customer.
- Propane sales are projected to grow slowly from 2013/2014 to 2020 as a result of a rebounding economy and the introduction of new propane applications, particularly propane vehicles and other engine applications.
- Taking advantage of the opportunities and keeping the adverse challenges that lie ahead in check will require concerted action by the industry as a whole, including investments in new technologies and robust participation in the national energy conversion.

- Maintaining current markets.
- Understanding and taking advantage of regional market segmentation.
- Capitalizing on the changing price relationship between propane and gasoline/distillate.
- Participating in the national energy and environmental policy and regulatory process.

1. Maintaining Current Markets

The biggest challenge facing the propane industry over the next 10 years will be maintaining current market share in the residential and commercial sectors that currently accounts for more than 75 percent of total consumer propane sales.

The threats to these markets are formidable:

- Propane use per customer has fallen substantially and will likely continue to decline in response to higher prices and improvements in building and equipment efficiency.
- Electric heat pump technology is becoming more efficient and economical, and will likely continue to erode propane heating market share in many regions.
- Propane prices have increased substantially compared to the price of electricity in most regions, and this price disparity is projected to continue.
- Since 2000, the propane industry has lost more than 350,000 manufactured-home customers due to the overall collapse of the manufactured-home market and to the inroads of electricity into new units. This trend is expected to continue.
- Growth in natural gas supply is leading to lower natural gas prices and the expansion of natural gas distribution systems that lead to existing propane customers converting to natural gas.

Given the expected improvements in electric heating technology and the electric power industry's promotion of electricity as a "green" energy source, keeping current customers will probably become even that much more difficult.

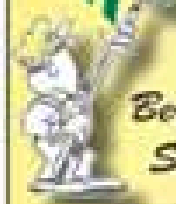
Preserving the existing propane customer base will require aggressive and coordinated efforts. And there are real

Continued on page 34

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opportunities. Growth could come from increasing market share for existing applications, including conversion of heating oil applications to propane, and from commercialization of new technologies, such as residential tankless water heaters, portable and backup generators, and commercial propane-fired heat pumps and CHP units.

Major propane applications in the residential and commercial sectors have significant non-economic advantages over competing fuels and technologies - advantages like warmer heat and the convenience of gas that add value for its customers. The industry will need to emphasize these value propositions to capture high-opportunity markets and offset inevitable losses in markets that are driven entirely by cost rather than broader values.

2. Understanding and Taking Advantage of Regional Market Segmentation

The propane industry faces market threats and opportunities that differ by region and specific area. The map in Figure Q below shows the wide distribution of residential propane heating customers. Propane has more than 10 percent of the residential space heating market in most counties with the exception of the West Coast and the South where electricity dominates the market and New England where fuel oil rules the residential market. However, distribution of propane use varies widely, depending on climate, energy prices, and the availability of natural gas specific to the region.

Figure Q: Residential Heating Customers by County



Even within specific geographic regions, variations in weather patterns, customer lifestyles, the price of electricity, and competition from other fuels and technologies play a huge role in determining competitive success. While many regional differences are concentrated in the residential and commercial sectors, differences in state regulations and electricity prices also affect propane demand in other sectors. Consequently, propane industry marketing strategies that can be tailored to specific regional conditions and requirements will be more successful than a one-size-fits-all coast-to-coast approach.

In the residential sector, regions with significant propane market share and significant residential new construction will likely provide most of the new propane opportunities. The map in Figure R shows where those areas are located. The majority of high growth markets where propane will likely capture a significant share of the new construction and renovation markets are located in the Northeast,

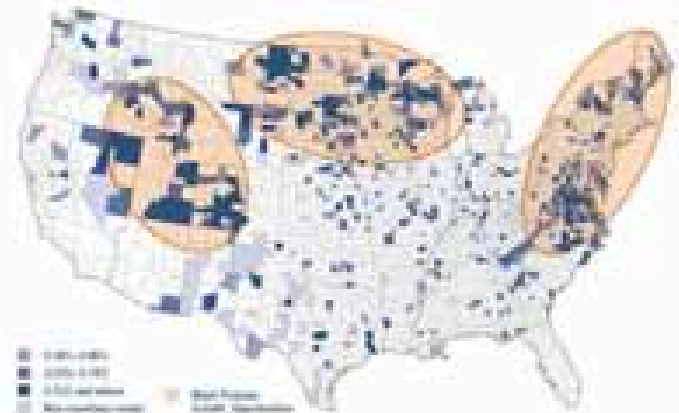
Upper Midwest, and Rocky Mountain regions.

3. Maximizing the Opportunities Created By Changes in the Price Relationship Between Propane and Gasoline/Distillates

When multiple forms of energy are available for the same function, price becomes the prime consideration in users' energy choices. Given projected long-term shifts in world energy markets, propane prices are expected to become more competitive with diesel and fuel oil prices. This change is expected to create unique opportunities in the residential and commercial heating markets in the Northeast and Midwest as well as in the full range of diesel engine markets.

However, potential customers may not recognize the operating cost advantage of propane in heating and engine fuel applications. Encouraging current oil heating customers to invest in new, more efficient propane furnaces will require the propane industry to make a compelling case for long-term consumer benefits. Communicating the benefits of propane is vital, but inducing customers to switch fuels may also require facilitating equipment conversions with up-front financing as well as other steps to simplify the process. Likewise, in the internal combustion engine market, consumers may not be familiar with the new, more efficient generation of propane engines in non-road applications, and may have had only limited exposure to on-road propane vehicles.

Figure R: Heating Oil and Gasoline Use by County - Heating Oil Heating Market and Gasoline Heating Market



Another challenge for propane is competing with other engine fuels in the limited number of propane applications for on- and off-road vehicles. The costs of developing and introducing new propane vehicles are very high and PERC-funded applications that have been under development for several years are just now reaching the market. Future capital investment in new vehicle development is unlikely to come from the motor vehicle industry unless and until manufacturers believe there is high volume demand for such vehicles. Consequently, this market may require significant long-term financial support from the propane industry before the market becomes self-sustaining.

4. Leveraging Propane's Environmental and Energy Security Benefits

Propane is a cleaner-burning, lower-carbon fossil fuel than other

Continued on page 63

Codes Affecting Isolation Fittings Require Compliance

The MPGA Mechanical Code Committee would like to make you aware of codes affecting electrical isolation fittings. Here in Michigan, the general consensus is that roughly half of all installations use plastic tubing and the other half uses copper tubing. There were concerns about bending metallic gas piping/tubing that extends underground and this section of code is intended to alleviate such concern.

The code reads:

404.8 Isolation. Metallic piping and metallic tubing that conveys fuel gas from an LP-gas storage container shall be provided with an approved dielectric fitting to electrically isolate the underground portion of the pipe or tube from the above ground portion that enters a building. Such dielectric fitting shall be installed above ground, outdoors.

The isolation fitting is intended to isolate the piping in the building from the piping extending underground. The isolation fitting (dielectric union) would be required where the piping rises out of the ground near the building. The addition of the dielectric fitting shall occur during anytime one of the follow events occur:

1. Changing out 2nd stage regulator
2. Switching out the tank
3. Adding or subtracting piping to the system

If you are using plastic tubing, the dielectric union will not apply as it is non-metallic piping. The dielectric union would apply if you are using copper tubing.

Electrical Isolation at the Building

2011 - NFPA 58 - 6.9.3.16

Underground metallic piping and/or tubing that conveys LP-gas from a gas storage container shall be provided with dielectric fittings at the building to electrically isolate it from the above ground portion of the piping system that enters a building. Such dielectric fitting shall be installed above ground and outdoors. [RCP-118]

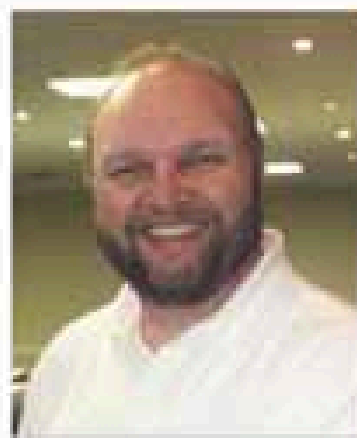
Electrical Isolation at Tank

NFPA 58 2011 Annex A.6.6.6.1(I) Paragraph 6

It is important that, when a cathodic protection system is designed, there is a clear understanding of the limits of the surface area and materials being protected. Electrical isolation of the container from metallic piping may be necessary using a dielectric fitting or other component designed for that purpose. For example, the cathodic system that protects a steel tank that is not electrically isolated from the attached metallic piping system will be forced to provide protection for the connected piping system as well. Therefore, the sacrificial anode will have to be sized to protect both the container and the piping. Additionally, if the piping is of a different material (such as copper) from the container, further complications could result and it is possible that the steel may corrode even though a sacrificial anode is connected to the container. 📌



Photo Courtesy: Bepko



Jim Cross, MPGA Mechanical Code Chairman

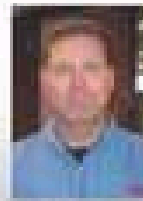
"In 2009, the Michigan Residential Code added code 'G2415.8 (404.8) Isolation.' Conversations with Kevin Kalakay, Chief Mechanical Division, Department of Licensing and Regulatory Affairs Bureau of

Construction Codes for the State of Michigan, has indicated field compliance is not 100%. The Mechanical Code committee would like to bring this article back to your attention in hopes of achieving greater field compliance."

—Jim Cross, MPGA Mechanical Code Chairman

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"By reviewing your HAZMAT security plans and communications program with your employees annually, you will stay in compliance with U.S. DOT regulations and free of costly penalties."

—Randy Halstead, MPGA Safety & Compliance Committee

HAZMAT Transportation Security Plans Required for Propane Marketers

Propane is a safe and effective fuel as well as a vital part of our economy, but in the wrong hands, it can become a lethal weapon.

As a result of increased concerns over possible acts of terrorism, training in security awareness and a written security plan are required of companies that transport hazardous materials.

In March 2005, the U.S. Department of Transportation (DOT) issued regulations to enhance the security of hazardous materials transported in commerce. Known as HM-232, these regulations require shippers of certain hazardous materials to develop and adhere to a transportation security plan and train relevant employees

according to the security plan. U.S. DOT issued a Final Rule Adjustment in March 2010 that narrowed the scope of hazardous materials subject to HM-232 and modified some security plan components and training requirements.

Under HM 232, Hazmat employees must receive training that provides an awareness of the security risks associated with the transportation of hazardous materials, how to recognize and respond to possible security threats, and methods designed to enhance transportation security.

Here's a detailed look at the regulations:

| Hazard Class/Division | Type | Threshold Quantity |
|----------------------------|-----------------------------------|---|
| Division 1.1, 1.2, and 1.3 | Explosives | Any Quantity |
| Division 1.4, 1.5, and 1.6 | Explosives | Any Quantity Requiring Labeling |
| Division 2.1 | Flammable Gases | Large Bulk Quantity |
| Division 2.2 | Nonflammable Gases | Large Bulk Quantity with Subsidiary Hazard of Division 5.1 Corrosive |
| Division 2.3 | Toxic Inhalation Hazard (TIH) | Any Quantity |
| Class 3 and Division 4.1 | Detonated Explosives | 454 kg (1,001 pounds) or Greater in a Single Transport Vehicle or Freight Container |
| Class 3 | Flammable Liquids | Large Bulk Quantity in Packing Group I or II |
| Division 4.2 | Spontaneously Combustible | Large Bulk Quantity in Packing Group I or II |
| Division 4.3 | Dangerous When Wet | Any Quantity |
| Division 5.1 | Oxidizers | Large Bulk Quantity in Packing Groups I and II |
| Division 5.2 | Organic Peroxides | Any Quantity of Organic Peroxide, Type B, Liquid or Solid, Temperature Controlled |
| Division 6.1 | Toxic Materials Other than TIH | Large Bulk Quantity in Packing Groups I, II, and III |
| Class 8 | Corrosive Materials | Large Bulk Quantity in Packing Group I |
| Class 9 | Miscellaneous Hazardous Materials | Not Subject |

HM-232

The security plan must include a site-specific transportation security risk assessment and appropriate measures to address the assessed risks. Additionally, each security plan must include the following components:

- **Personnel Security** – Measures to confirm information provided by job applicants hired for positions that involve access to and handling of the hazardous material(s) covered by the security plan.
- **Unauthorized Access** – Measures to address the assessed risk that unauthorized persons may gain access to the hazardous material(s) covered by the security plan.
- **En Route Security** – Measures to address the assessed security risks associated with shipments of the hazardous material(s) covered by the security plan en route from origin to destination, including shipments stored incidental to movement.

Applicability

Each person who offers for transportation in commerce or transports in commerce one or more of the hazardous materials delineated in the chart below must develop and adhere to a hazardous materials transportation security plan. Note that a “large bulk quantity” is any quantity greater than 3,000 kg (6,614 pounds) for solids or 3,000 liters (792 gallons) for liquids and gases in a single packaging such as a cargo tank motor vehicle, portable tank, tank car, or other bulk container. (Refer to Table)

Training Requirements

- **Security Awareness Training** – Each Hazmat employee must

receive training that provides an awareness of security risks associated with hazardous materials transportation and methods designed to enhance transportation security, including a component covering how to recognize and respond to possible security threats. Security awareness training must be administered within 90 days of employment, within 90 days of a change in job function, and at least every 3 years.

- **In-Depth Security Training** – Each Hazmat employee must be trained concerning their facility’s security plan and its implementation. In-depth security training must include company security objectives, organizational security structure, specific security procedures, specific security duties and responsibilities for each employee, and specific actions to take by each employee in the event of a security breach. In-depth security training must be administered within 90 days of employment, within 90 days of a change in job function, and at least once every 3 years. If the security plan is revised or updated during that 3-year cycle, each Hazmat employee must receive training regarding the revised or updated security plan within 90 days of its implementation.

Maintaining a HAZMAT security plan is necessary to comply with the law. Training aids are available from a variety of resources including J.J. Keller & Associates (www.JJKeller.com) and Professional Emergency Resource Services (www.pers-cr.com). Sample templates of security plans are also available online using your browser.

For more information contact Randy Halstead, MPGA Safety & Compliance Committee Member, at: RHalstead@houseworks.org

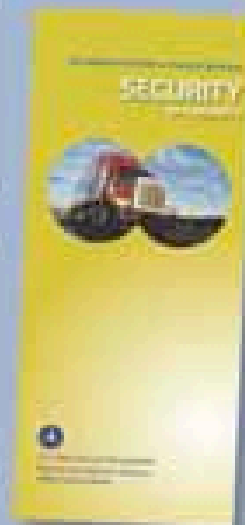
Federal Register • Part IV Department of Transportation 172.802 Components of a Security Plan

(a) The security plan must include an assessment of transportation security risks for shipments of the hazardous materials listed in § 172.800, including site-specific or location-specific risks associated with facilities at which the hazardous materials listed in § 172.800 are prepared for transportation, stored, or unloaded incidental to movement, and appropriate measures to address the assessed risks.

Specific measures put into place by the plan may vary commensurate with the level of threat at a particular time.

(b) The security plan must also include the following:

- (1) Identification by job title of the senior management official responsible for overall development and implementation of the security plan;
- (2) Security duties for each position or department that is responsible for implementing the plan or a portion of the plan and the process of notifying employees when specific elements of the security plan must be implemented; and



(3) A plan for training hazmat employees in accordance with § 172.704

(c) (i) and (c)(5) of this part;

(ii) The security plan, including the transportation security risk assessment developed in accordance with paragraph (a) of this section, must be in writing and must be retained for as long as it remains in effect. The security plan must be reviewed at least annually and revised and/or updated as necessary to reflect changing circumstances. The most recent version of the security plan, or portions thereof, must be available to the employees who are responsible for implementing it, consistent with personnel security clearance or background investigation restrictions and a demonstrated need to know. When the security plan is updated or revised, all employees responsible for implementing it must be notified and all copies of the plan must be maintained as of the date of the most recent revision.

(d) Each person required to develop and implement a security plan in accordance with this subpart must maintain a copy of the security plan (or an electronic file thereof) that is accessible at, or through, its principal place of business and must make the security plan available upon request, at a reasonable time and location, to an authorized official of the Department of Transportation or the Department of Homeland Security.

Michigan's Fracking: Is It a Gold Rush?

Stakes are High; Michigan Sits on One of Largest Natural Gas Reserves in U.S.

By Joe Ross

Debate over the future of Michigan's natural gas production is intensifying as the lines between the two sides become more sharply drawn.

Supporters are encouraged by expanding natural gas production in the state because they see businesses and homeowners enjoying lower energy costs. Lower energy costs will benefit business bottom lines and boost family incomes. Opponents voice their concerns over environmental protection and quality of life issues.

Many experts agree that Michigan will have to increase natural gas production during the next decade as coal-fired plants and motor vehicles are converted to less expensive and cleaner natural gas.

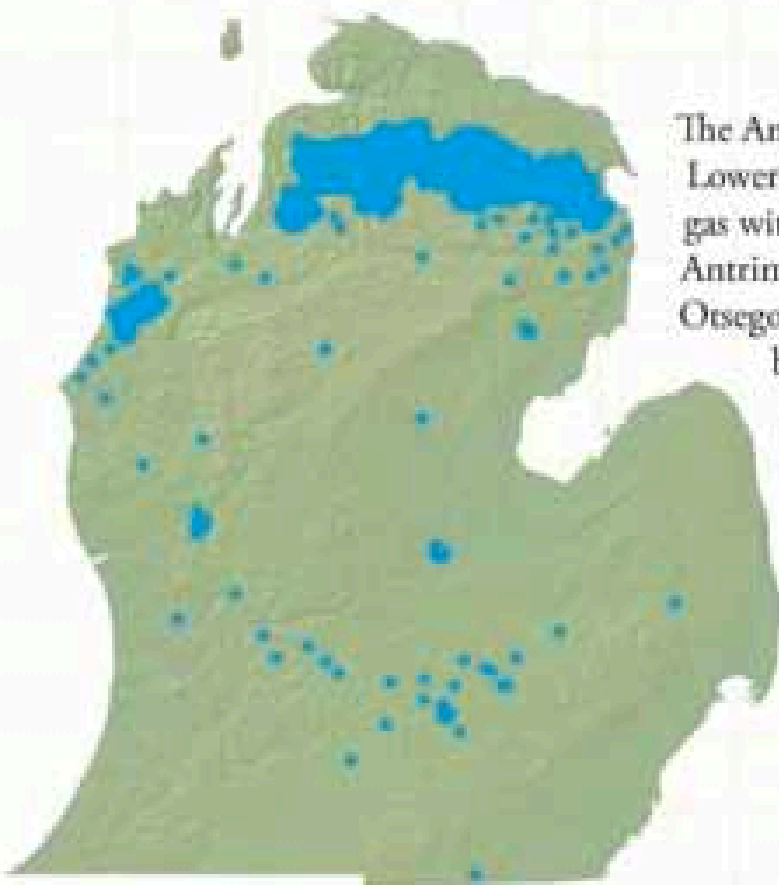
Natural gas production in Michigan has a long but largely unnoticed history with land leases auctioned off here since 1929.

Hydraulic fracturing is no stranger either as it has been used in the state for 50 years. During this time, few problems have been reported, but concerns have recently emerged as a result of controversies in other states over the use of horizontal drilling.

The growing interest in Michigan natural gas production has stirred up concerns from some citizens. They are alarmed by the new wave of gas wells drilled into much deeper formations where fracking is used. Fracking is a drilling technique that uses a water/chemical mixture pumped under high pressure into shale formations to fracture rock formations and unleash oil or natural gas that can be pumped back to the surface.

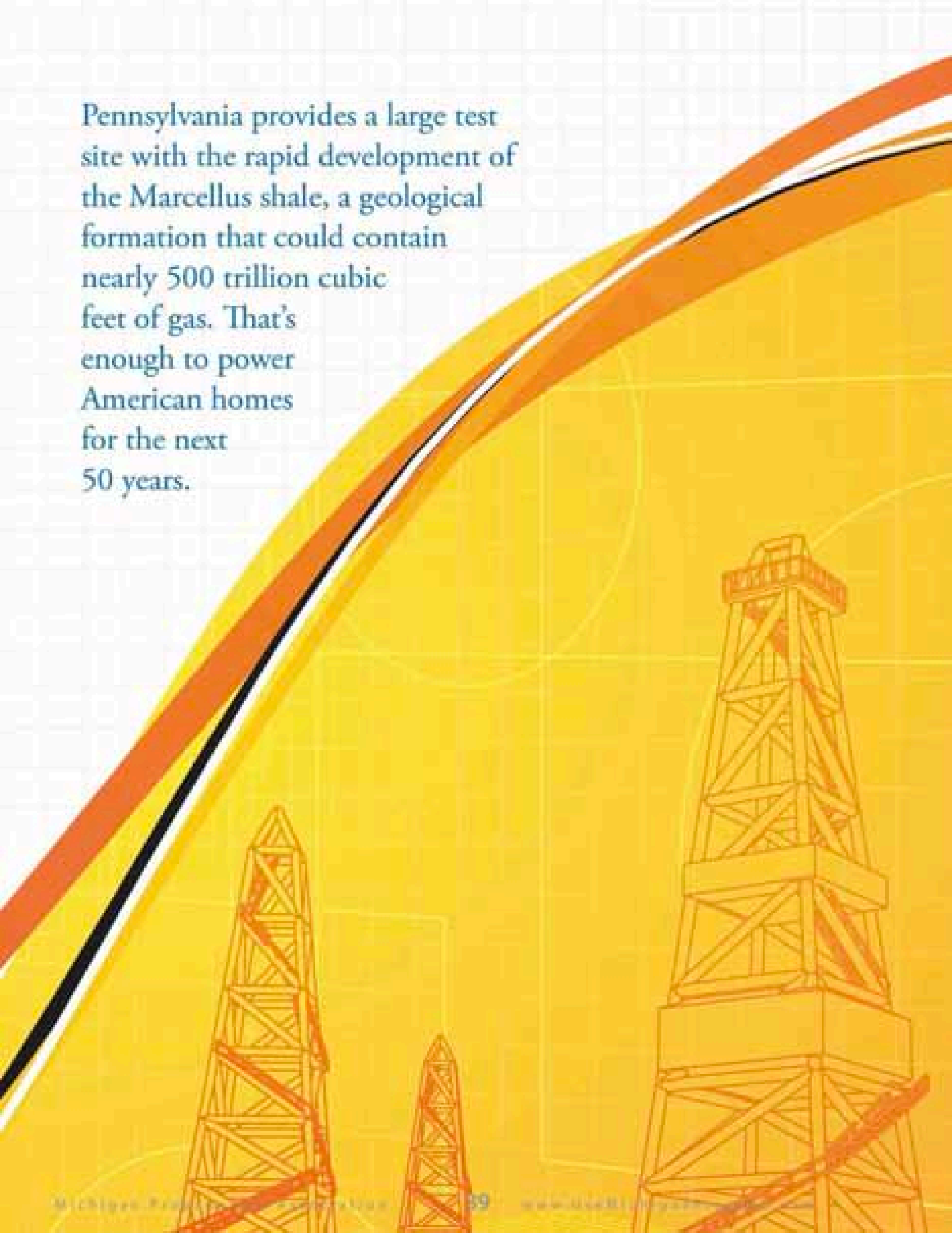
The citizens group Ban Fracking in Michigan was formed to start a drive to prohibit horizontal fracking in Michigan and are seeking a statewide ballot initiative for voters to decide on the prohibition.

Continued on page 49



The Antrim Shale formation across the northern Lower Peninsula provides a major source of shale gas with major natural gas producing areas in Antrim, Crawford, Montmorency, Oscoda and Otsego counties. Although the formation has been known since the 1940s to contain natural gas, the region did not see active drilling until the late 1980s. During the 1990s, Antrim formation production took off with the drilling of thousands of wells and it became the most actively-drilled shale gas region in the U.S.

Pennsylvania provides a large test site with the rapid development of the Marcellus shale, a geological formation that could contain nearly 500 trillion cubic feet of gas. That's enough to power American homes for the next 50 years.



"Drilling and fracking create a tremendous amount of solid, liquid and gaseous wastes that pollute the land, water and air," said LaToya Krasna, the group's campaign director. "And pollution is integral to the process, not an accident or a possibility, but a certainty."

The committee's effort is not merely an attempt to stop horizontal fracking. The group believes it is also important to go after what its members perceive as an ideology embedded in state law that supports the fossil fuel industry with regulations favoring energy companies.

The Michigan Chamber of Commerce disagrees.



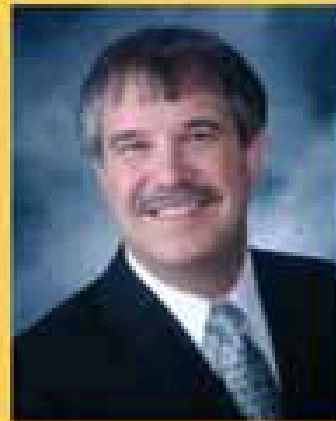
"Hydraulic fracturing has been used for over 30 years in Michigan without a single negative impact on human health or the environment," noted Jason Gertz, Director of Energy and Environmental Policy for the Michigan Chamber. "With over 12,000 wells drilled using this technique, hydraulic fracturing has clearly been proven safe."

Continued on page 42

Jason Gertz, Director of Energy and Environmental Policy for the Michigan Chamber

Local Natural Gas Provides Low Cost Fuel for Residents and Businesses

By Wayne Kobby



Wayne Kobby, Michigan Government Affairs Chairman

Propane heats most rural homes in Michigan. Those homeowners will benefit from an increase in locally-produced natural gas because it will lower heating costs while the fuel can also be used to power additional clean-burning vehicles.

Propane is a beneficial by-product of natural gas production that gives Michigan a 100% domestic energy source.

Very few U.S. states or foreign countries will ever have a locally-sourced, clean-burning fuel. Economists believe these lower fuel costs from state natural gas reserves will create new jobs for state residents and allow businesses to be more competitive in national and global markets.

Propane is a clean burning fuel that dissipates gently into the atmosphere. In addition, propane does not contaminate groundwater like fuel oil and gasoline do.



MPGA PAC CONTRIBUTION FORM

I agree that a strong political action committee is vital to the success of our efforts in Lansing.
I want to help support candidates with responsible pro-business positions
on issues affecting the propane industry.

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Thanks for your support!

Please fill out and mail to the
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1000 West St. Joseph Hwy, Suite 200, Lansing, Michigan 48915

"Our state is uniquely positioned to benefit from the continued and responsible exploration for natural gas since we have a substantial amount of shale gas waiting to be recovered and the ability to store larger amounts than other states," he further observed.

Big revenue is at stake, a highly important consideration in a time of strained state budgets and painful cuts. Leasing of state-owned oil and gas rights has generated more than \$750 million in lease payments and royalties over the past 10 years. Leasing underground land to gas and oil companies has helped build up the Michigan Natural Resources Trust Fund to a \$500 million level. These funds are used to improve state parks and purchase recreation lands.

Pennsylvania's Experience Offers Insights on Fracking

A thoughtful perspective on the shale gas drilling controversy is offered by two leading researchers from Pennsylvania State University and the University of Michigan. In a *New York Times* opinion piece, they stated that while the natural gas produced by fracking does contribute greenhouse gases through leakage during gas extraction and carbon dioxide releases during burning, it holds significant environmental advantages over coal mining. Shale gas emits half the carbon dioxide per unit of energy compared to coal. Moreover, coal combustion emits toxic metals such as mercury into the atmosphere that eventually settle back onto our soil and water

resources and enter our food chains. Michigan's aging coal plants currently provide 60 percent of the state's electric power supply.

In one study reviewed by the researchers, 200 private water wells were tested in the Pennsylvania fracking regions, and water quality was found to be the same before and after drilling every well except one. In that well the study showed that water quality had improved after drilling started.

Pennsylvania provides a large test site with the rapid development there of the Marcellus shale, a geological formation that could contain nearly 300 trillion cubic feet of gas. That's enough to power American homes for the next 50 years.

Pennsylvania fracking accesses depths of thousands of feet while drinking water is pumped from depths of just hundreds of feet. Fracking compounds injected at these greater depths have not contaminated any drinking water at the much shallower levels.

The researchers conclude that the Pennsylvania experience with fracking has led to development of industry practices that mitigate the effects of drilling and fracking on the local natural environment. 

The article was compiled by Joe Row through interviews and content from The New York Times, Crain's Detroit Business, MLive, Michigan Capital Confidential and the National Propane Gas Association.

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District 4 Holds Second Industry Expert Panel Event

District 4 held its second successful propane meeting on April 4, hosting a panel of industry experts. Over 40 MPGA members attended the event to discuss propane issues at the Forwards Conference Center in West Branch, Michigan.

Derek Dalling, MPGA Executive Director, got things started with an informative presentation on the new frost law and tort reform legislation. He also described the expansion of natural gas in the state.

State agency experts also made important presentations. Bill Clark (Michigan State Police), and Mike Charbonneau and Mike Dewase (Michigan Department of Environmental Quality) described state regulatory programs that impact the industry.

Several MPGA Committee Chairs also contributed. Tim Myers (Education) reviewed CETP training opportunities; Jeremy Starford (NFPA 58) explained the new requirements on crane operations; Jeff Hyman (Membership) discussed association perks; and Mary Ockerman (2nd Vice President) who wears many hats, provided an update on PERN, Propane Emergency training, Propane Safety Day at the Lansing Capitol, and the Summer Convention.



A big thank you goes out to Bergquist, IPS, Gas Equipment and General Insurance for providing nifty prizes with the winner selected by a random drawing.

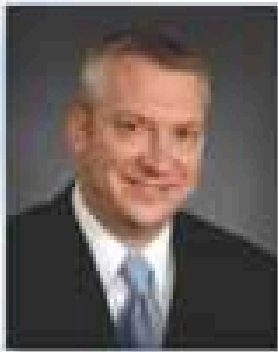
And a special "Thank You" goes to District 4 Co-Director Dan Roberts for organizing the meeting. 🍷



ObamaCare: What It Does To & For Your Small Business

By Joe Ross

With the health-care law kicking in next year, many of Michigan's small-business owners are running scared or running blind over what to do about the increases they face in the costs of providing health care coverage to their employees.



Derek Dalling, Executive Director of the Michigan Propane Gas Association

On a ride as wild as this, it's hard to see all the twists and turns.

"Some of Michigan businesses will hit the exit door provided by the new law. They'll pay the financial penalty to avoid the law's 'employer mandate,' and said Derek Dalling, Executive Director of the Michigan Propane Gas Association. "One potential drawback to this penalty strategy: taxes. Health insurance is deductible as a business expense, penalties are not."

Under the Affordable Care Act, also known as ObamaCare, employers with 50 or more full-time workers will be required next year to provide coverage for employees who work an average of 30 or more hours a week in a given month. Alternatively, business owners can opt to pay a \$2,000 penalty for each full-time worker over a 30-employee threshold.

Here's how the math works for a small business with 125 mostly low-paid, low-skilled workers:

- Let's say the company's 25 managers currently have insurance and the remaining 100 employees do not.
- In that scenario, the company is currently paying around \$125,000 per year for its managers' health care.
- This January the company will be required to offer insurance to all of its 25 managers and its 100 staff members at a cost that will exceed \$500,000.
- If the employer opts to pay the \$2,000 annual penalty for each uninsured employee that will cost the company \$190,000.

For some employers, paying the financial penalty is a good option.

A U.S. Chamber of Commerce survey recently showed 75% of small businesses predicting that ObamaCare will raise their costs, another survey by Newick Business Services found that 65% don't have strategies yet for managing their health care costs.

Nearly half, or 46%, of 689 small-business owners surveyed by *The Wall Street Journal* and *Vintage International* say they don't know whether providing health insurance will be more or less costly than the penalties. More than three quarters, or 77%, polled online from March 11 to March 20, expect their health-care plans to cost more next year under the new health care law.

The U.S. Department of Health and Human Services and the U.S. Treasury

Scott Lyon, Senior Vice President of the Small Business Administration of Michigan

Department disagree with the U.S. Chamber of Commerce and point to studies suggesting that most employees are not expected to drop coverage.

"We see the Affordable Care Act as a missed opportunity to improve our health care system. The law is overweight with fees, taxes, rating requirements and coverage requirements. These items will jack up small businesses health care cost," said Scott Lyon, Senior Vice President of the Small Business Association of Michigan.

ObamaCare Has a Language All Its Own

There is help in this maze. The U.S. Small Business Administration (SBA) offers the following resources to help self-employed individuals and small employers navigate the new health care law.

1. Affordable Insurance Exchange

Also known as the health insurance "Marketplace," the **Affordable Insurance Exchange** is a new insurance marketplace where individuals and small businesses can purchase qualified health benefit plans. The Marketplace for small employers, known as the Small Business Health Options Program (SHOP), and the Individual Marketplace for consumers and those who are self-employed, will open in all states on January 1, 2014. Enrollment begins on October 1, 2013.

2. Employer Shared Responsibility

Although employers are not required to provide health coverage to their employees under the Affordable Care Act, employers of a certain size will be subject to the **Employer Shared Responsibility** provision of the law. Under this provision, beginning in 2014, business owners with at least 50 full-time or full-time equivalent (FTE) employees that do not offer health coverage to their full-time employees may be subject to a penalty payment under the health care law. A full-time employee is generally one who is employed an average of 30 or more hours per week. Businesses with fewer than 50 full-time or FTE employees are generally not affected by these provisions.

3. Essential Health Benefits

The Affordable Care Act ensures that health plans offered in the individual and small group markets, both inside and outside of the health insurance Marketplace, offer a comprehensive package of items and services, known as **essential health benefits**. **Essential health benefits** must include services in at least ten core categories, among them emergency services, maternity and newborn care, prescription drugs, and preventive and wellness services.

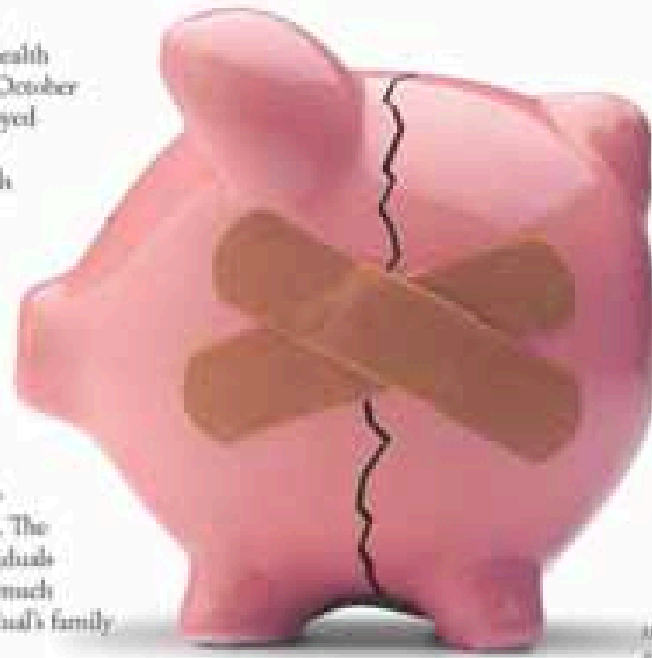
4. Individual Shared Responsibility

The **Individual Shared Responsibility** provision of the law applies to the self-employed and requires that each individual, beginning in January 2014, has basic health insurance coverage for each month, qualify for an exemption, or make a payment when filing a federal income tax return starting in 2015. Individuals will not have to make a payment under these rules if coverage is unaffordable; they spend less than three consecutive months without coverage; or they qualify for an exemption for several other reasons, including hardship and religious beliefs.

Continued on page 49

5. Premium Tax Credits

When enrollment through the health insurance Marketplace starts in October 2013, consumers and self-employed individuals may be eligible for a new kind of tax credit individuals can use right away to lower what they pay for their monthly health plan premiums. Individuals who qualify can take the premium tax credit in the form of advance payments to lower their monthly health plan premiums starting in 2014, which can help make insurance more affordable. The value of the tax credit that individuals are eligible for depends on how much income the individual or individual's family expects to earn.



employees, pay average annual wages below \$50,000, and contribute 50% or more toward their employees' self-only health insurance premiums. In 2014, this tax credit goes up to 50% and is available to qualified small businesses that purchase coverage in the Small Business Health Options Program (SHOP) Marketplace.

7. Wellness Programs

A wellness program is defined as a program intended to improve and promote health and fitness that is typically offered through the workplace although insurance plans can offer them directly to their enrollees. The program allows employers or plans to offer employees premium discounts, cash awards, gym memberships, and other incentives to participate. The

Affordable Care Act creates new incentives to promote employer wellness programs and encourage opportunities to support healthier workplaces.

ObamaCare will undoubtedly have far-reaching effects. 📌

The article was compiled by Joe Ross through interviews and content from The Wall Street Journal, U.S. Small Business Administration and Fox Business News.

6. Small Business Health Care Tax Credits

Although the Affordable Care Act does not require that businesses provide health insurance, it does offer tax credits for eligible small businesses that choose to provide insurance to their employees for the first time, or maintain the coverage they already have. To qualify for a small business health care tax credit of up to 35%, the small business must have fewer than 25 full-time equivalent



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What could be **B**etter?

Okay, sure – winning the lottery would probably be better. So would not having to deal with insurance at all. But since you didn't pick the winning numbers in last week's drawing, you're likely to need to keep running that company. And that means dealing with insurance – for your business, for your employees, for your future and your health. Not to mention your peace of mind.

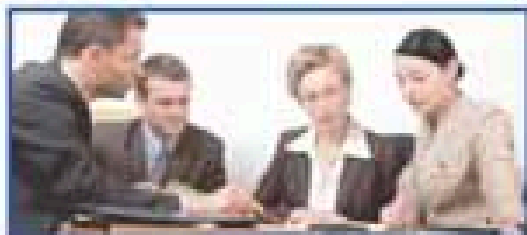
The good news is, insurance doesn't have to be painful! And we're putting our money where our mouth is by offering you a FREE insurance audit to prove it. It's designed to help you see where your coverages may be out of date (yes, we'd rather be golfing, too) and where your business may be vulnerable. It's also designed to show you where your coverages are strong – possibly too strong! – as well as where it could be improved (is it lunch time yet?).

But seriously ...

We take your business' insurance needs as seriously as you do. Which is why the Michigan Propane Gas Association picked us as the one insurance company to earn your board's endorsement (our sense of humor had nothing to do with it). And because your business is a member of the association, you can enjoy exclusive benefits offered only to MPGA members. Including custom coverages, favorable pricing, and priority service when you call.

Plus, because we at Beckwith Financial Group have long-term relationships with a wide variety of providers, we can shop your coverages for you – so you always get the best deal. In fact, we've been helping businesses like yours save money on custom coverages for over 25 years. And have earned the reputation of trusted advisors throughout the state.

For more information – and to participate in your free, no-obligation insurance audit, log on to the Michigan Propane Gas Association's web site and follow the quick link to receive information via e-mail. Or log on to directly to www.beckwithgroup.com and click the "request a quote" button for the type of insurance you're interested in. Or speak directly to one of our advisors by calling 1-800-237-5504. We're ready to help you take the worry out of your insurance world – so you can get back to the real world. Now wouldn't that make you happy?



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Good Times on Education and on the Green

A full day of activities for MPGA members with experts in the field provided an outstanding opportunity to educate association members. The successful event was planned by MPGA's District 1 directors Andy Vanderboegh and Chris DeGrote.

Scott Trankin of Altogas gave a demonstration of the state-of-the-art Red Arrow Transfer Facility in Benton Harbor, Mich. It is the first Propane-Approved Turbine 3-inch Meter in the country and has the capacity to pump 14,567 gallons of propane into a transport in just 17 minutes.

"Having a secure and technologically-advanced facility in southwest Michigan means that companies here can access the Chicago propane market more cost-effectively," said Andy Vanderboegh of Altogas who is also MPGA District 1 Co-Director. "Companies can use jumbo transports to pick up lower-cost product from the Red Arrow Transfer facility 24/7.

"Smaller transports can also take advantage of the shorter drive from Lemont and Griffith back in Benton Harbor. With the Red Arrow

facility located at the junction of I-94 and I-196, the plant is convenient for everyone's use."

The morning session also included an informative presentation by Mary Ockerman of Sanford LP Gas who is also MPGA 2nd Vice President on the importance of the PERN program. And everyone had the opportunity to inspect the state-of-the-art PERN trailer.

The session then broke for lunch and golf.

Non-golfers enjoyed a discussion over lunch about supply and demand issues during the last heating season.

Golfers headed to the Lake Michigan Hills Golf Club in Benton Harbor, Mich. to enjoy a round of 18 holes in picture-perfect beautiful weather.

The event attracted over 60 people with some coming from as far away as Maryland, Kansas and Canada.

Thanks to all who attended and contributed to the MPGA PAC, raising over \$2,500! 🍷



FORECLOSURED

The 2013 SHOP campaign will focus on keeping foreclosed homes safe from gas leaks.

Michigan

MPGA's Safe Handling of Propane (SHOP) Program

Until the Inventory of Foreclosures is Reduced in Michigan, the Potential for a Gas Explosion is High

The housing market is getting better. So that's got to be good, right? Well, not quite so fast. There can be something about it that's bad, too.

With greater numbers of active home buyers, there are more people walking through vacant distressed-sale homes for the first time in many months, or even years. And modern conveniences like natural gas and propane appliances can pose risks in those homes that have sat empty and idle for extended periods of time.

"We see home owners strip their foreclosed homes clean, ripping appliances right out of the walls. And that creates a real fire danger in homes using natural gas or propane," said Larry Ottens, CEO of LPO Consulting, Inc. and chairman of the Michigan Propane Gas Association's Safety & Compliance committee.

Appliances ripped from the walls can cause gas to leak in the house.

Homes that sit empty are also in danger of appliance disasters. These disasters don't only threaten about safety — they will tear natural gas and propane heaters, dryers and other appliances from the walls without undoing gas lines," said Brian Smith, CEO of Standard Gas and

the Chairman of the MPGA Propane Emergency Committee. Until the state inventory of foreclosures is reduced, the potential for a gas explosion in Michigan remains high.

Michigan's home foreclosure rates have fallen for the past few years, partly because banks were more interested in short sales where homes are sold for less than what's owed on the mortgage.

The national foreclosure crisis hit Michigan particularly hard. Although the state foreclosure rate has slowed, Michigan still saw 70,000 foreclosures in the past year (between March 2012 and March 2013), the third worst rate in the country.

Some good news shows Michigan surpassing the nation for residential foreclosure sales: 31 percent of state residential sales were foreclosures in 2012 compared to the national rate of 20 percent.

If this trend continues, Michigan will eventually reduce the record high number of these unsafe foreclosed homes.

In the meantime, anyone approaching a foreclosed home should first find out if the home's fuel supply is in working order.

Safety Steps for Entering Foreclosed Homes:

1. When approaching entry to a foreclosed home, first go to the propane tank to find the phone number for the propane retailer. Call the retailer and ask if they know whether the gas is on or off in the house.
2. Decide if you want to turn off or continue the service. If you choose to keep the gas service on, ask the propane retailer to conduct a safety gas check.
3. If you can't reach the propane retailer that day, shut the tank down by turning the handle on the top of the tank counter-clockwise.

After the above steps have been taken each time you enter the house, the following steps should also be taken:

1. Is the temperature inside the house warm? If yes, that could indicate the gas is on and that the heater is likely working.
2. Do you smell gas? If you smell gas, leave the house immediately and call the propane dealer.
3. If the house appears to be safe (it's not warm and you don't smell gas), inspect the premises to make sure the appliances are intact.



Michigan
PROPANE GAS ASSOCIATION



MICHIGAN HEROES PROTECT MICHIGAN COMMUNITIES

Sign Up Now to Host a Propane Emergencies Training at your Fire Department.

Contact Brian Lincoln at (517) 487-2021 or bjlincoln@slpg.net



PROPANE EMERGENCIES TRAINING
SCHEDULE FOR 2013

July 11 – Kalkaska (Kalkaska Co.)

Host: Kalkaska Township FD
Classroom & Outdoor: 209 Laurel St., Kalkaska

July 17 – Crystal Falls (Iron Co.)

Host: Alpha Mastadon FD
Classroom: 402 Main St., Crystal Falls
Outdoor: 503 5th St., Crystal Falls

July 18 – Gould City (Mackinaw Co.)

Host: Newton Township VFD
Classroom: 6154 Gould City Rd., Gould City

July 30 – Stanwood (Mecosta Co.)

Host: Mecosta-Austin Township FD
Classroom & Outdoor: 19095 8 Mile Rd.,
Stanwood

August 1 – Conklin (Ottawa Co.)

Host: Chester Township FD
Classroom: 19562 Conklin St., Conklin
Outdoor: 21130 32nd Ave., Conklin

August 6 – Dundee (Monroe Co.)

Host: Dundee FD
Classroom & Outdoor: 154 Main St., Dundee

August 8 – Onsted (Lenawee Co.)

Host: Cambridge Twp. FD/Lenawee Co. Fire
Chief Training Division
Classroom: 135 N. Main, Onsted
Outdoor: 9800 Slee Rd., Onsted

August 20 – Marlette (Sanilac Co.)

Host: Marlette FD
Classroom & Outdoor: 6436 Morris St.,
Marlette

August 27 – Port Hope (Huron Co.)

Host: Port Hope FD
Classroom & Outdoor: 4250 Lake Shore Dr.,
Port Hope

No Matter the Size of Project, Each Job Receives the Detail and Attention it Deserves



*Meet the Nagel Equipment Team: Front row (L. to R.) – Bridgit Myers, Linda Nagel, Dave Colthorp, and Dave Carter
Back row (L. to R.) – Terry Nagel, Roger Fletcher and Blake Meyer*



What types of service does Nagel Equipment Co. provide?

Nagel Equipment Co. provides any service related to the propane industry, including bulk plant design, build, and repair. The company also builds and installs propane dispenser units for motor fuel and grill tanks. A mobile propane prover is used to calibrate barbecues and dispensers and a fuel oil prover is used on fuel trucks. Roger Fletcher is state-certified and handles all the meter duties.

How is Nagel different from other companies in the propane industry?

Our company is a small family-run business. So we can sit down

Continued on page 34

The MPGA caught up with Dave Colthorp, General Manager of Nagel Equipment Company, to learn more about the company, located in Breckenridge, Michigan.

Tell us about the company's history

About 30 years ago, Terry Nagel was working for the Michigan Department of Agriculture's weights and measurements division. Being a sharp observer, he saw a real need for repair services in the industry. So he decided to start his own company specializing in the refined fuel and propane industry. In the last 15 or so years, he focused exclusively on propane. Terry and his wife, Linda, have retired so the day-to-day operations are now handled by myself, Dave Colthorp, General Manager, and the office duties are handled by their daughter, Bridgit Myers. They employ seven people all together.

How did Nagel become involved with propane?

When Terry worked with the state of Michigan checking meters on barbecues and dispensers, he got to know a lot of the people in the industry and saw the need for a repair facility in the state.



Terry and Linda Nagel, Founders of Nagel Equipment Company

with our customers and thoroughly discuss their projects and then build the system they want. In most cases, the person who sets up the job is the same person who does the actual work. That's one way to build a truly positive relationship. And that's what we want to do. Since our salesmen are also our work crew, there isn't any confusion about what the customer wants and needs.

How much has the company grown?

Terry focused on meter calibration and repair with a few customers when he started out. Now the company has many customers that we service, doing anything from meter repair to a complete bulk plant installation. We do a lot of work in the agriculture industry as well as in schools and factories. We pretty much do anything and everything that's connected to propane.

Do you have a certain management philosophy or work ethic in your business?

The customer is the focus throughout the entire job. And we treat the work like it's being done on our own house or shop. Our name goes on the project and everyone talks in this industry. As everyone knows, the best advertising is by word of mouth. And we take that seriously.

What challenges do you face?

One of our biggest challenges is the weather. It plays a huge role in everything we do, like working outside in the elements. Or if we have a warm winter like we had in 2012, then customers don't want to expand or improve their facilities. That can cause a slow year for us.

What is most rewarding about working in the propane industry?

Our biggest reward is watching our customers grow and calling us back for more work. That tells us that they're satisfied customers and our industry is thriving.

How does the company affect the propane industry in Michigan?

We have been a big part of many propane facility installations over the years so we feel like we're playing a pretty important role in the Michigan propane industry.

What are your goals for this year?

Our goal every year is to have a safe and profitable year. In this day and age, I don't think you can ask for a whole lot more than that.

What do you see in the propane industry's future?

I see growth in the cleaner, "greener" fuels industry, with auto gas having a bigger impact on the industry.

What are the new services you provide to the industry?

We work real closely with propane equipment suppliers and manufacturers to keep up with the newest available equipment so we can offer these products to our customers. Keeping our customers satisfied means anticipating and knowing their needs and the latest innovations that can help them be more competitive. 🔧



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We Specialize in:

- »» Propane bulk plant design and construction
- »» Propane bulk plant service work
- »» State certified bulktruck meter calibration and repair for propane and refined fuel
- »» Storage tank sales

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What's New



Dave Riggs

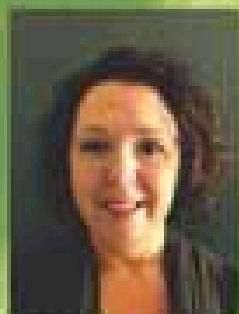
The MPGA congratulates Dave Riggs for his promotion to the new MPGA Representative office position. He will serve as the liaison between the National Propane Gas Association and the MPGA, providing regular reports to Board of Directors meetings.



Larry Otto

Larry Otto of LDO Consulting has been named Midwest Director of Business Development for Digital Dispatcher, a mobile field management software company headquartered in Jenkintown, PA. The company's software is designed to meet the

demands of Liquid Fuel, Propane and Product Delivery companies of all sizes. The easy-to-deploy technology includes fleet and inventory tracking, dispatching and route optimization and point of sale invoicing that operates in real-time on any cellular network with the newest Android platform. Larry serves the greater Midwest area and can be reached at: larry@ldocharter.net or (231) 313-5252.



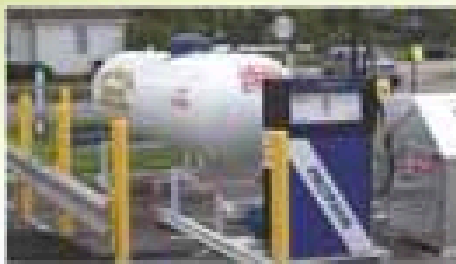
Stacy Haskins

The MPGA introduces Stacy Haskins, the new chairwoman of the MPGA's Industry Outreach committee. Stacy is the Director of Operations at Ferrell Gas in Bay City, Mich, and has many years of experience in the propane business.



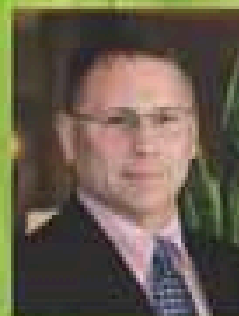
Jeff Hyman

Jeff Hyman is now the new chairman of the MPGA's Membership committee. Jeff is the President of Kent Oil & Propane in Nashville, Mich. He looks forward to working with association members.



Steve Kohler of Kohler's Propane in Brown City, Mich, unveiled the installation of his company's new Autogas pump at the Bad Ass BP Convenience Store in Bad Ass, Mich. Kohler secured the pump

location from BP owner Eli Kabbas. He has also been working with Larry Kosowak, the Superintendent of Harbor Beach Community Schools, to take advantage of the efficiencies and cost savings of propane-fueled buses. The Superintendent agreed to the application of the Diesel Magnum technology to one of the buses in their fleet to assess diesel fuel savings and propane efficiency. Kohler is fueling the new school system bus at the new Autogas location.

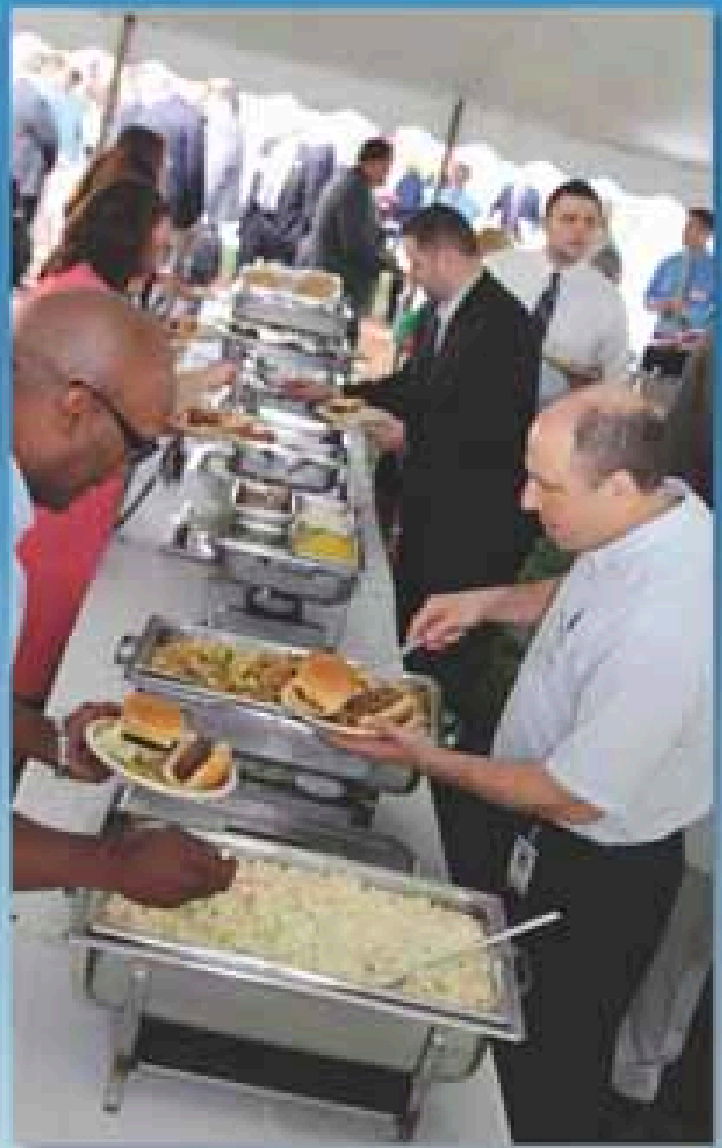


David Lowy

David Lowy with Pro Image Communications has a new email address: DWLowy50@charter.net



The Hartford school system will add a new propane Autogas-fueled school bus to its fleet, replacing an old diesel-powered bus. The new bus is expected to save the district \$32,000 with the cheaper fuel over the life of the vehicle. The Hartford school board also signed a three-year contract with AmeriGas of Hartford to provide the bus' propane fuel. AmeriGas will also give the school district \$10,000 toward the purchase of the new bus.



Propane Safety Awareness Day - A Day of Appreciation

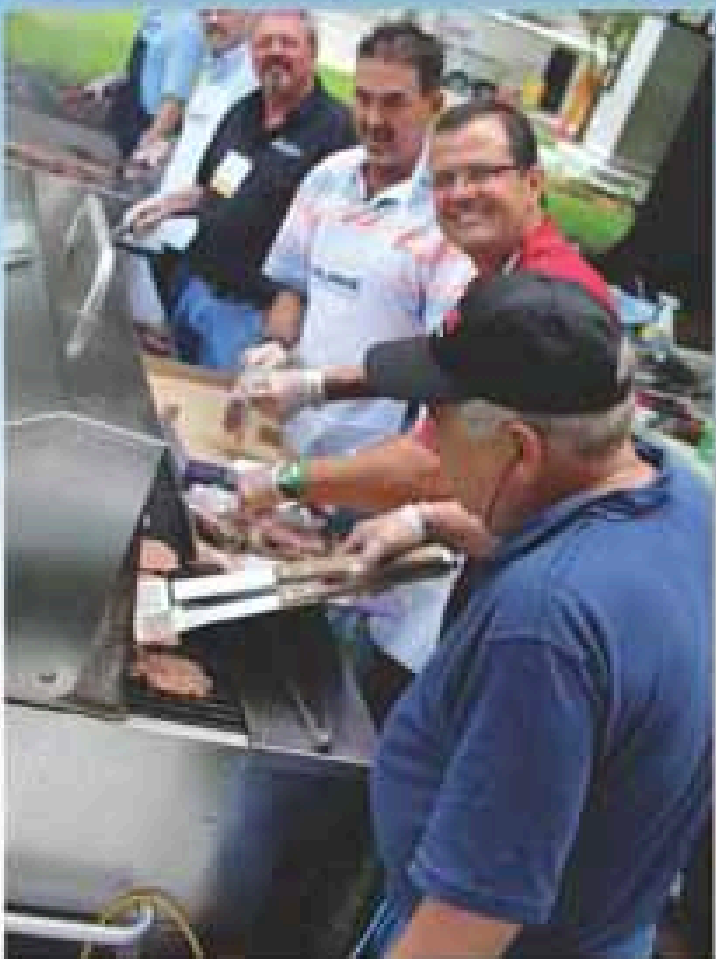
Stern clouds threatened, but the rain thankfully held off the day of one of the most popular Capitol Building outdoor events of the year—MPGA's Propane Safety Awareness Day—on May 29th.

This year's event celebrated legislators who passed MPGAs From Law earlier this year. It was a terrific opportunity for MPGA members to meet legislators in their offices or on the Capitol lawn and say 'thank you.'

In spite of the threatening weather, legislators and their staff turned out in droves. Eighty-four of the 110 state representative offices and 34 of the 38 state senate offices showed up.

Other dignitaries also attended. Staff from Governor Snyder's office and the Director of the Michigan Department of Agriculture and Rural Development, Jamie Clover Adams, came out as well as key staff from the State Budget office, Secretary of State's office, Department of Natural Resources, State Fire Marshall's office, and the Bureau of Fire Services (Above-Ground Storage Tank unit).

The success of the event was made possible by the wonderful MPGA volunteers! We sincerely appreciate everyone's efforts in making the 20th year of Propane Safety Awareness Day a super successful day! 🍷



Freightliner S2G Unveiled *Continued from pg.26*

"We have made significant progress in school transportation," Taylor adds. "For us, not having a school bus engine was simply not acceptable. We had the Rough Ford 6.8 liter, which is available in the Blue Bird Vision, and now we have the Freightliner GM 8.0 liter in the Thomas Saf-T-Liner."

Heading down an all new road

According to PEJOC project information, estimates of annual sales volume for the school bus and bobtail markets are 1,000 units each, with high-side estimates of 1,500 units for each platform. Bobtails and school buses could consume 5.5-15 million gallons of propane per year.

In older vehicle technology dating back to the 1970s, fuel was introduced into the engine as a vapor while current technology features electronic fuel injection with propane entering the manifold as a liquid, Taylor says. The latest technology allows propane engines to maintain the same horsepower and torque as its fueling counterparts, making the vehicles more dependable, he adds.



Freightliner S2G Propane Bobtail Development Team

Merrile Paul (l to r in background), Michael Taylor, Director of Energy Business Development PEJOC, Bryan Hanks, Manager-Product Marketing Propane/Casam, Ed Garcia, Senior Engineering Manager Propane/Casam, and Robert Fackler, President Propane/Casam, Paul in front (background), for MIB, APGA Transportation Chairman and President of Signature Truck Systems

The S2G engine features 325 horsepower.

"Today's engines have components that are designed specifically for gaseous fuel applications," Taylor says. "Customers are getting good performance, reliability and durability. This isn't the same propane engine your granddad had."

The engine assembly and fuel system in the Freightliner chassis will fit in applications that are up to a 33,000-pound gross vehicle weight.

Continued on page 66

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2013>

Cathodic Protection Certification and Refresher Courses

MICHIGAN PROPANE GAS ASSOCIATION

**Cathodic Protection Certification -
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July 9 & 10

July 31 & August 1

**Compliance Training Refresher
Course - Half-day course (\$30)**

August 22



Cathodic Protection Certification and Recertification

Cathodic Protection Certification

For those not already certified and are seeking certification, MPGA will conduct a full two day class. The course will conclude with a written and practical examination. Each student must pass with a minimum score of 70 percent to receive a cathodic protection certification showing competence and qualification. Cost is \$50.00. Training dates for these courses will be **July 9 & 10** and **July 31 & August 1**.

All classroom training courses will be held at Stanford's LP Gas Training Center, 3611 N. Eastman Rd, Midland, MI. Classes are from 8:30 am – 5:00 pm each day with lunch included.

Cathodic Protection Tester Recertification

Recertification may be accomplished by either satisfying the work experience requirements, or by passing the half-day CP Tester refresher class. Neither of these options can be used without submitting a copy of your original signed certification paper from CorPreTek, Inc. or National Pipeline Services if you do not have the original certificate, then you must retake the regular two day class again to receive certification.

For your certification to remain current, you must complete at least five (5) documented CP tests and submit the MPGA CP Tester Recertification Application, available on our website at www.usemichiganpropane.com, for approval every three (3) years.

If you are unable to document a minimum of five specific cathodic protection tests on five different tanks over the last three years and provide a copy of the actual test data sheets, you are required to attend a half-day refresher course. The half-day sessions will **August 22, 2013**.

All classroom training courses will be held at Stanford's LP Gas Training Center, 3611 N. Eastman Rd, Midland, MI. Classes are from 10:00 am – 3:00 pm each day with lunch included.

Mr. Keith Boswell, from National Pipeline Services will be the instructor. Successful completion of both a written and practical examination will enable each student to receive a training certificate as a qualified cathodic protection tester of underground propane tanks.

A registration fee of \$30.00 per person, paid in advance, will include all training material, a certificate of completion, and lunch each day. Initially only one individual from each entity desiring to attend shall be allowed to register. This is due to the training seminar being limited to twenty participants. Accepted registrants will be notified and their registration fee is non-refundable.

Applying for Recertification

If you have satisfied the work experience requirements (all work experience must be since the original certification or the last certification), you may submit your MPGA CP Tester Recertification Application. Applications are available on the MPGA website at www.usemichiganpropane.com. In order to obtain your recertification, you must submit the following documentation:

- Completed Recertification Application
- \$20 application fee (payable to MPGA)
- A copy of your original signed certification paper from National Pipeline Services or CorPreTek, Inc.

Send all documents to MPGA, 1000 W. St. Joseph, Suite 200, Lansing, MI 48915.

Email kboswell@nationalpipelineservices.com with any questions on completing the application. Please make a copy of the application for your records.

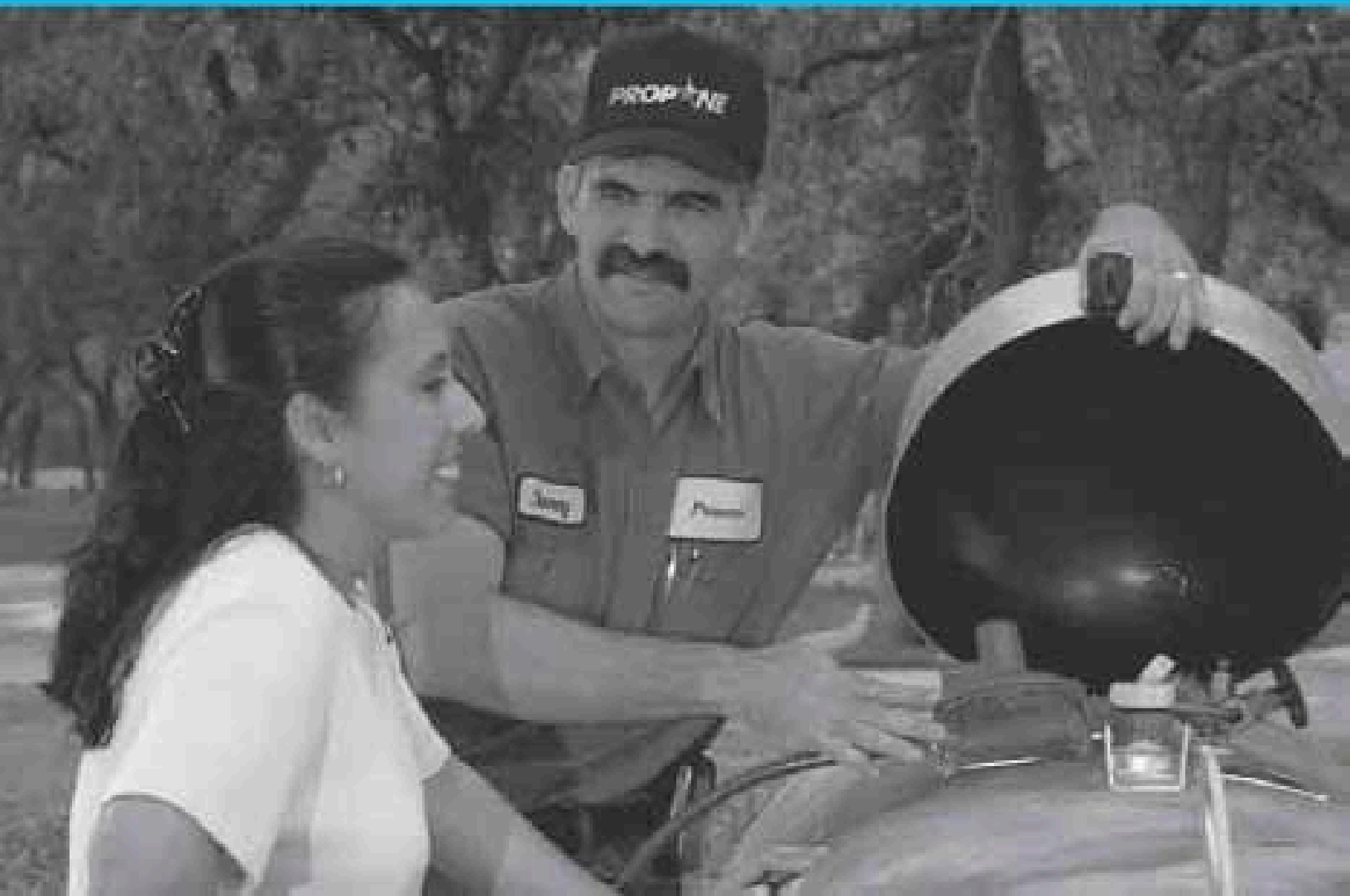
Register online! Go to www.UseMichiganPropane.com



2013 >

CETP Course Schedule and Registration

MICHIGAN PROPANE GAS ASSOCIATION



CETP Course Descriptions

1.0 Basic Principles & Practices

An "entry level" course that provides prerequisite instruction about propane's physical and combustion properties, how propane is produced and transported, the organizations that influence, publish or enforce codes and standards, how basic functions are performed in a bulk plant, primary safety concerns, and customer service.

August 19 & 20 Comfort Inn UP

September 4 & 5 Doherty

October 8 & 9 Bavarian Inn

2.1 Propane Delivery Basics

(Pre-requisite for 2.2, 2.3, 2.4, & 2.5)

Provides general information applicable to all drivers of cargo tank motor vehicles used to delivery propane, including DOT driver qualifications, personal protective equipment, CMT pre-trip inspections, verifying placarding, markings & inspections, flammable & combustible liquids, verifying the presence of odorant, handling CMV accidents, breakdowns & emergencies, parking/garaging of vehicles.

August 21 Comfort Inn UP

October 10 Bavarian Inn

2.2 Operating a Bobtail to Deliver Propane*

Identifying bobtail equipment and operating procedures, preloading inspections, bulk plant loading/unloading systems & procedures, walkaround inspection of CTMV, purging propane containers prior to transferring product, handling out-of-gas calls & piping leak checks, evacuating ASME tanks, post-trip inspections, required monthly inspections, bobtail loading via compressor or auxiliary inlet.

August 22 & 23 Comfort Inn UP

October 15 & 16 Bavarian Inn

3.1 Plant operations*

Covers bulk plant systems, including valves, ESV's, bulk-heads, and their maintenance and inspections. Unloading bobtails at the plant, especially preventing auto-refrigeration. Detailed training on inspection and requalification of cylinders by the visual inspection method.

August 5, 6 & 7 Doherty

4.1 Designing and Installing Exterior Vapor Distribution Systems

Teaches sizing and installation of cylinders and ASME tanks, sizing and installation of regulators and vapor meters, corrosion protection, sizing and installation of gas lines and pressure and leak testing.

July 8, 9 & 10 Doherty

4.2 Placing Vapor Distribution Systems and Appliances into Operation

Validating proper appliance installation, including proper combustion air supply, purging the system, appliance start-up, checking appliance safety controls, validating proper container, piping, and regulator installation and leak and pressure testing.

July 23, 24 & 25 Doherty

4.3 Appliance Installation

This course does not teach the learner to put the system into operation (that is covered in 4.2). This program does include everything a learner needs to know about how to select the appropriate appliance based upon system demand and how to install it in a safe manner. The program refers the learner to each specific appliance manufacturer for details on proper installation requirements. (see www.usemichiganpropane.com for complete course description)

August 13, 14 & 15 Doherty

* Pre-requisite required.

Locations:

Bavarian Inn Lodge • 1 Covered Bridge Ln.
Frankenmuth, MI 48734 • 800-775-6343

Doherty Hotel • 604 N. McEwan
Clare, MI 48617 • 800-625-4115

Comfort Inn UP • 607 E. Lakeshore Dr.
Manistique, MI 49854 • 906-341-6881

Register online! www.UseMichiganPropane.com



2013 >

Non-Certified Course Schedule and Registration

MICHIGAN PROPANE GAS ASSOCIATION



Non-Certified Courses

Run from 8 a.m. – 4 p.m. Each Day

HAZMAT (\$30)

July 11 • Doherty Hotel

HM 126F is required by the U.S. Department of Transportation. All employees employed on or before November 15, 1992, should have completed training by April 1, 1993. Employees employed after November 15, 1992, should complete training within 90 days of employment. All Hazmat employees must receive periodic training at least once every three years.

Propane Emergencies Seminar (\$30)

August 8 • Doherty Hotel

This one day, non-certified seminar (8 – 8 1/2 hrs), has been created to bring awareness to, or enhance, the awareness of the Retail Propane Marketer Manager, Propane Transporter or Cylinder Filling Operator with the requirements of USDOT and OSHA for dealing with Propane Emergencies. The seminar will document and review prominent compliance issues including:

- Emergency Action Plan (Mandatory where fire extinguishers are required), Employee Training and Documentation
- Fire Prevention Plans (Mandatory where fire extinguishers are required) Employee Training and Documentation
- Fire Safety Analysis (Mandatory as required by NFPA 58)
- Handling Propane Emergencies Involving Delivery Equipment on Public Roads
- USDOT Accident and Incident Reporting Requirements by telephone and written follow up

- Working with First Responders (Mandatory for Employer)
- Public and Media Relations during a Propane Emergency (Do your employees know what to say or not to say and who to say it to?)
- Using Knowledge, Protection and Prevention to Avoid Propane Emergencies

Gas Check (\$30)

August 9 • Bavarian Inn Lodge

The Gas Check program offers two types of inspections, depending upon your company's GAS Check inspection policies:

1. "Gas System Check" which can be completed on the gas delivery system, including containers and regulators, and
2. "Gas Appliance System Check" which is completed on both the delivery system and all propane burning appliances.

Locations:

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New OSHA Crane Operator Rules

Continued from pg28

new tank to a construction site and leaves it on the ground or other location for installation by a third party, then the delivery of that tank is not covered under the construction standard.

Current Education and Outreach Activities

PERC is developing a crane operator training program for the propane industry scheduled for release this year.

The new multi-media instructional program is designed for self-study or classroom instruction, and will address specific propane industry crane operations.

Certification Tests

NCCCO already offers a certification program titled 'Articulating Crane Operator' for truck-mounted, articulating-boom crane operators. And NCCCO is also currently developing a certification test with input from the propane industry for telescopic crane operators. These will not be a propane-specific crane test. But there will probably be a test for truck-mounted/maintenance truck-type crane operations that will apply to propane operations and include testing on load charts, inspection protocols, rigging, un-rigging, and wire ropes. There will also be a test for maintenance truck crane operations.

PERC and NCCCO plan to release their certification-training program this fall. In the meantime, the MPGA will continue to inform members of crane rule-related developments as they unfold. 📌

Strong Industry Strategy Responds to New OSHA Rules for Crane Operator Training

- The MPGA is working with OSHA to obtain an exemption for the propane industry, arguing that the propane industry should not fall under construction. The MPGA further contends that the new OSHA rules could undermine current, internally-enforced safety measures and will impose significant new costs associated with driver certification.
- MPGA argues that unclear rule language makes it impossible for the industry to comply with the new rule by the 2014 deadline, especially in the absence of an appropriate crane operator test.
- PERC seeks an exemption for cranes up to a predetermined weight, e.g., 12,000 lbs.
- PERC seeks to add empty propane tanks to the definition of "Supporting Materials" so that moving a propane tank would fall under the "material delivery" exemption.
- PERC and MPGA are currently creating an NCCCO-accredited course (scheduled for release later this year) that will cover crane and lifting operations that are more in line with propane industry operations.
- PERC will work with state associations and industry trainers to get everyone up to speed on the new training requirements and may provide information needed by trainers to offer the pre-certification test training.

Propane Market Outlook

Continued from pg34

petroleum-based products, such as distillate fuel oil, kerosene, and gasoline. And as a domestically-produced fuel, using propane improves U.S. energy security. In contrast to natural gas with its principal component being methane - a significant greenhouse gas - propane has a near-zero direct global warming potential, making it a preferred fuel over natural gas in some applications.

PERC and its partners are developing technologies and products that build on propane's emissions and supply benefits in applications such as distributed generation, agriculture, and transportation. However, these benefits and applications are not widely recognized by decision-makers in the current national energy and environmental policy debate. Federal and state energy and environmental policy decisions, along with the resulting tax policies and regulations on energy use, are going to play a significant role in either promoting or inhibiting use of propane in various markets. If the benefits of propane are recognized and considered during energy and environmental policy discussions, propane is likely to benefit from the resulting policies and initiatives.

But if these benefits are not effectively communicated and recognized, propane will likely be regulated in the same way as gasoline and distillate fuel oil, which could hinder propane market growth.

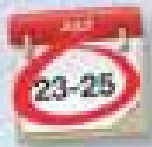
As a result, the propane industry - through the appropriate national and state trade associations and companies - needs to be actively involved in the federal and state energy and environmental policymaking and regulatory process. Companies in the industry and appropriate trade associations must engage policymakers in regulatory discussions about specific priority market development targets, such as alternative transportation fuels and distributed generation, to ensure that propane is adequately considered when new energy policies are drafted. It is essential for members of the propane industry to understand the relevant energy/environmental issues and policy options and know the critical stakeholders and their positions. The industry needs to be seen as an important stakeholder and resource by the regulatory agencies drafting new energy policies and environmental regulations. 📌

Calendar 2013



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Shanty Creek Resort
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Freightliner *Continued from pg58*

rating, and a 3,000-gallon propane barrel will fit comfortably for a bobtail. A 60-gallon propane fuel tank is located on the passenger side of the truck, extending past the cab.

Taylor cites three key selling points for propane marketers to use the chassis as a bobtail: 1) substantially lower operating costs than diesel-powered vehicles; 2) minimal warranty and maintenance issues compared to diesel engines; and 3) avoidance of costly requirements on new diesel emission technology like anti-idling and regeneration.

While LPG chassis selling points are compelling, some still question the reliability of propane as an engine fuel.

"I hear – 'been there, done that, didn't work then, won't work now' – a lot," Taylor says. "I just say thanks for your feedback and look to early adopters and champions who will get this project off the ground and bring us success. I truly believe that folks who have concerns will soon see that they need not have those concerns."

"The 52G chassis represents a major new development in offering the only propane-fueled, medium-duty truck to commercial fleet customers," CleanFUEL USA president Tucker Perkins said. "Collectively, we have created a high-performance, lower-emission fleet vehicle that sets new industry standards." 📌

St. John Truck & Trailer Service, Inc.

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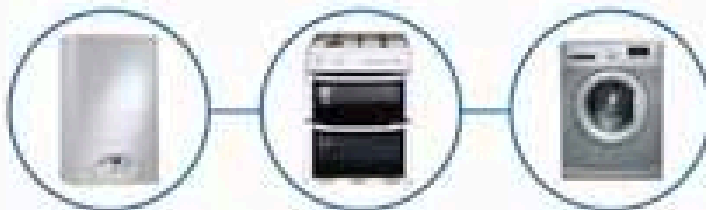
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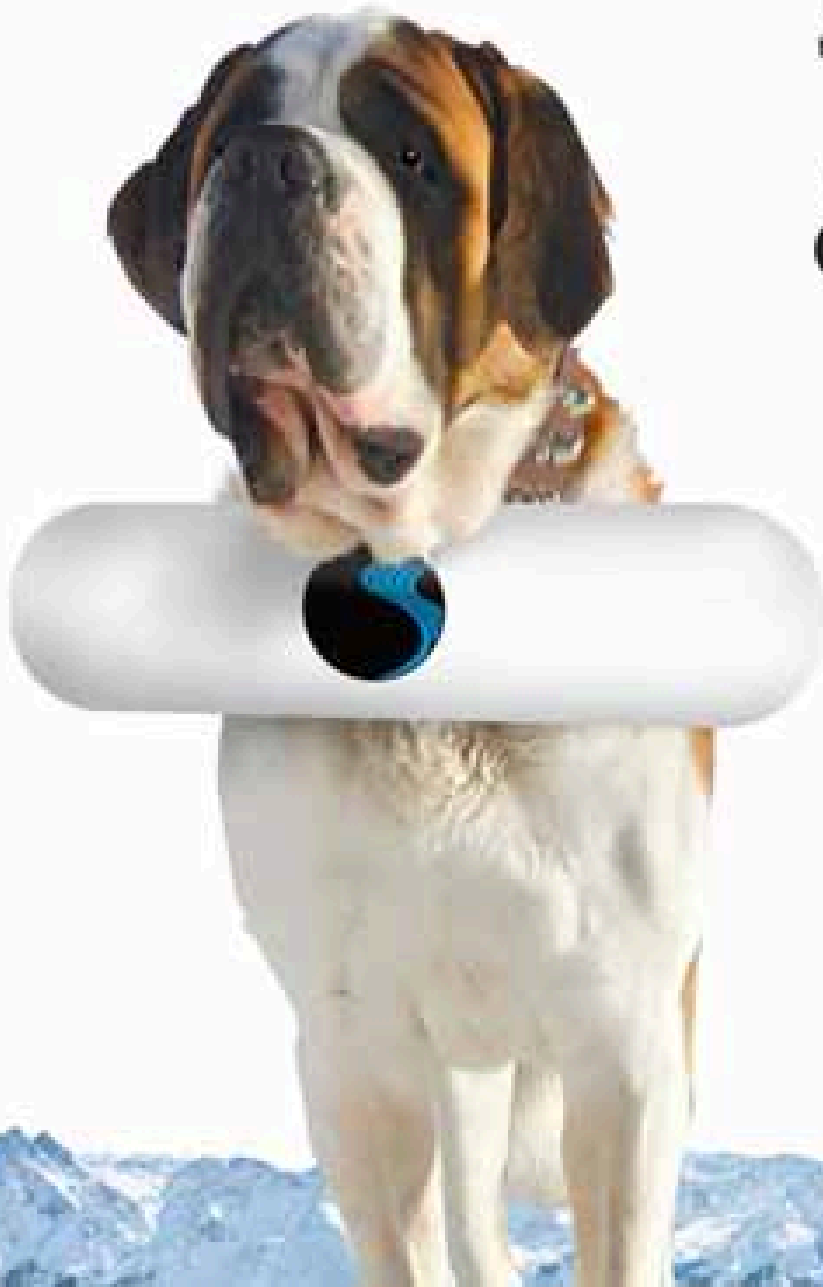
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